Daily Report

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NOTICE TO READERS: On 6 May 1991, the DAILY REPORT will begin phasing in new radio and television sourcelines that reflect how a station identifies itself. This change eliminates the "Domestic Service" and "Television Service" designations in favor of the station identification as broadcast. The presence of a new sourceline reflects this change in policy, rather than the establishment of a new station or network.

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Nano's Address to People's Assembly 9 May

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["Platform of the Program of the Government Presented at the 12th Session of the People's Assembly, Submitted by Council of Ministers Chairman Fatos Nano"—ATA headline]

[Text] Tirana, May 9 (ATA)—Honoured deputies, today's sitting scores a new important step in the proceedings of this first pluralist assembly. The necessity of resuming, on new basis, the activity of the executive power from the centre to the grass root, is imperative in the circumstances of the major current economic difficulties, instability of public order and the disbelief of the people in the country's future. The collaboration of all the political forces, in and outside the parliament, to overcome this grave situation, to stabilize and promote democratic developments at home and to intensify relations with the world is an imperative duty of the day.

Charged by the president of the Republic to form the new government, before forwarding at this assembly its composition and program, allow me to brief you on the hitherto activity of the Council of Ministers, organised as a working government.

The main problems, the Council of Ministers focused on with great responsibility during this period have been to restrain the further deterioration of the economic situation, the maintenance of the stability of the political and social life of the country and the intensification of the relations with other states and international organisms.

The government has worked with special preoccupation to meet the urgent needs of the people and the economy with domestic and import production. In the conditions of the lack of material reserves and the negative balance of payments, there was utilised to this end the whole currency obtained by our export, the credits accorded by foreign states, firms and banks and the import of many commodities, especially foodstuffs at delayed payments. Export of foodstuffs, except for any commodity related to the import of other indispensable products to this end, has been suspended.

In order to overcome the grave economic and financial situation, the Council of Ministers adopted measures to reduce nonproducing investments and expenditure and diplomatic and trade representations were reduced to 50 per cent of the staff.

The Council of Ministers committed itself to maintain order and tranquility, doing its best to avoid social conflicts and to create the necessary conditions for ever more normal development of the processes of democratisation and of the election campaign for deputies to the People's Assembly. Nevertheless, excesses, uncontrolled actions, and grave events, of which those of Shkoder and Lezhe were among the gravest and most painful, did not lack. The government has particularly analysed these events and has demanded from the organs of justice to finally find out the culprits. At the same time it has adopted the necessary measures to normalize the life in these cities.

The Council of Ministers did not confine its activity only in the daily tasks. It adopted a series of measures which have to do with the application and the promotion of the economic reform in the country, as well as with the extension of the economic and political relations with various states and international organisms. By preparing and issuing a number of legal provisions, the government paved the road to the processes of economy's reorganization beginning with the processes of privatization and the transition into a market economy, extension of the cooperativist yard, of the competences and independence of the agricultural economies.

Steps of historical importance are, without doubt, the reestablishment of the relations with the United States of America on March 15 this year, the beginning of a new stage of close cooperation with neighbouring and friendly countries such as Italy and Turkey, and the initiatives for new contacts with other states and regions of the world, especially in Europe and the Middle East. Alongside them, official links are established and developed with the International Monetary Fund and with the World Bank and work is going on to reach the respective agreements to admit our country in these organisms and to ensure the necessary currency for the economy's restructuring. The Council of Ministers has also worked to reach agreements with other states and firms in the context of the technical, economic and financial cooperation.

Nevertheless, from the profound analysis we have made, the economic and financial situation of the country continues to be grave almost in all the sectors of the economy. The people are lacking among other things, some agricultural products traditionally locally produced such as milk and its byproducts, vegetables of the season, etc., whose production and selling are 50 per cent less than last year.

The Council of Ministers bears its own responsibilities for this situation and has engaged the ministries, executive committees of the people's councils of the districts, and the managers of enterprises to establish order and discipline at work. Nevertheless, during this period disorder and sluggishness have not been avoided in whole sectors of the economy and the life of the country especially in the working relations, the management of production, transport and in the market. The difficulties of this transitory period have brought about especially an intense bureaucracy and inability of the administrative apparatuses and officials in many enterprises, executive committees and ministries, which have artificially increased confusion and obstacles, not giving the possible solutions to the problems and worries of the working people. This brought to the fore the need of their radical renovation and reorganization facing the threat of paralysis of the state executive activity.

Honoured deputies, our economy is in a complex crisis, which results from the problems unsolved for years. The roots of this crisis are in the very system of centralised and commanded running of the economy through administrative methods, improper to face with the problems of the intensive development and the increase of economic efficiency, in making a fetish of the principle of self-reliance and the so-called priorities of the social property, in non-acceptance of aid and credits, in mistakes in the field of investments, and priorities in the development of the branches of the economy.

This crisis is also reflected in the accentuated fall of the growth rates of the social product, of the national revenues, investments of export-import, and the perceptible fall of the labour productivity. In 1980s the social product and the national revenues increased at annual average minimum rates of about 1.5-1.6 percent or about 3.5 times less during 1970s, at a time when population has increased at a 2 percent average annual rate.

The continuous deterioration of the synthetic indices of the economic and social development of the country over the last two years in some branches and sectors has been accompanied with even absolute recession. Hence, in 1990 a social product to the tune of 3.3 billion leks, or over 10 per cent less than in 1989 was realised; the national revenues fell by 1.3 billion leks; industrial production from the state sector by 1.4 billion leks and agricultural production by about 800 million leks.

These deficits are perceptibly increasing this year too. In the January-March period, as against the first quarter of the last year, less than 22 million cubic meters of natural and associating gas [as received, in Tirana Domestic Service Albanian 091800 recording Nano says "accompanying (shoqerues) gas] was produced, chrome ore 65 thousand tons, chemical fertilizers by 53 thousand tons, cement 45 thousand tons, linen and cloths 7.5 million meters, shoes 986,000 pairs all in all, etc. Agriculture has delivered 18 thousand [metric] tons of milk, 600 tons of meat, 14 million eggs and 10 thousand tons of vegetable less than the plan. The volume of the goods turnover in cash is lower, estimated to about !40 million leks.

In 1990 the foreign currency earnings were realised by 316 million dollars less than the plan. This led to the growth of the negative balance of payments, which from 96 million dollars at the beginning of this year, reached to 254 million dollars. The non-realisation of exports and imposed imports based on credits over the last 4 months augmented the deficit of the balance of payments in currency which is actually about 350 million dollars.

The country's financial situation is rather tense. Sharp financial problems, a budgetary deficit of about 3.2 billion leks which represents about 30 per cent of the budget, were inherited from the last year. Under these circumstances at present the state budget finances only 21 million leks as against 26 million leks it ought to finance each day. With the rates in the realisation of the budget incomes and the financial results of the enterprises, the payment capacity of the budget will reach a minimum point, thus putting at stake the financing of such sectors as hospitals, schools, creches, defence, organs of order, and the state apparatus.

As a result of the disproportions in the economy, the currency in circulation and the saving deposits have increased at faster rates than the social product, the national incomes, goods turnover and services in cash, thus creating a difficult state of inflation.

This has brought about the lowering of the guarantee of money (the currency in circulation) with goods, foreign currency, etc. As against 1980 it reduced to over 70 per cent or from 5.5 to about 1.6 leks of goods, foreign currency,etc., per 1 lek currency, which represents an extremely critical level. Only in 1990 the currency in circulation increased 441 million leks or equal with the increase for 9 years (1981-1989) reckoned together. This high increase had a perceptible impact on the drastic reduction of the reserves of physical money in the treasure of the State Bank, whose level may paralyse every activity in case production and monetary circulation is not reactivated through economic reforms.

To the grave economic crisis of our country testifies also the nonexploitation of the existing productive capacities which in important branches of the economy, such as in that of building material industry in the chemical one and oil processing industry, reaches from 20 to 50 per cent. At present the country has over 50 thousand unemployed, without mentioning the fictitious employment of averagely 40 thousand workers a day who are being paid with 80 per cent of the payment. For the 4-month period a payment fund of 73 million leks has been spent, without realising production. Actually the state of the goods in the state reserve is in a critical point, or 6 times less it ought to be in normal conditions.

This situation is further aggravating because of the mass strikes of workers, suspensions of work on other grounds, the ultimate demands for increase of salaries and immediate improvements of the working conditions in enterprises and whole branches of economy, without taking into consideration the conditions, possibilities and consequences they bring about to economy. Likewise the suspension of work in some agricultural cooperatives, which voice the demands to reexamine their economic and financial relations with the economic enterprises and state budget established for years on end, insisting on no judicial ground that the eventual improvements be backdated, have a grave impact on the agricultural production at present and for the future. Another fact which had a negative impact are the distribution based on no criterion and the plunder of cattle of concentrated herds by individuals or groups of cooperativists of some agricultural enterprises, the wholesale slaughter, and in some cases their illegal sale by separate individuals outside the borders of the homeland.

These phenomena are a result of the confusion and insecurity created by the numerous alternatives set forth in the various electoral programs, as well as of the attempts of the ill-doers who want to profit at the expense of the others in this transitory period of applying the economic reform and that of strengthening the juridical state. An end should be put to plunders, corruption and illegal acts as a means of livelihood so that the economic, social and political crisis of the country be not further aggravated.

Some other phenomena and illegal acts, which have gravely disturbed the public tranquility and security have as well added to this worry. Such are the acts of hooliganism, speculations, and bargains, the illegal border crossings by certain groups of people without observing our laws, as well as the international norms. The damaging, stealing and plundering of the property, the threats, pressures down to the acts of violence committed against our citizens and foreign ones, which have endangered the life and health, tranquility and security of the people are impermissible and to the detriment of genuine democracy. These acts which pose a great social threat have a negative influence in the promotion of the democratizing processes and the insurance of the rights of the individual in Albania, which we are all politically engaged in.

Honourable deputies, it is a fact that the impetuous process of the vast democratic transformations, which established the multiparty system, a new platform of economic reforms in Albania, the extension of the human rights and freedoms to the European standards, is carried out under these great economic and social difficulties. With all their diversity, the new concepts and programs set forth by the political and social forces of the country, converge in essence on some fundamental points, such as pluralism of property, the market economy, the juridical state, the fundamental human rights and freedoms, the integration to the European market with an economy open to joint activities with foreign partners, political cooperation with all countries observing mutual friendship and interests, etc. On this basls we are confident that all the working people of the country, all the political forces within and outside the parliament, the trade unions and other organisations uniting the people of the Republic of Albania at these difficult moments will attain understanding. This will make it possible that the program I am submitting to the assembly on behalf of the new government, to come out of crisis will be applied through joint efforts, to guarantee the present and the future of democracy in Albania and its full integration into civilized world.

Estimating the programs of all the political parties and going into consultation with them, the government submits, as the most realistic and admirable alternative to come out of crisis and stabilize the economy, the switch onto the market economy. The gradual realization of this great and complex undertaking requires a fixed period of transition. To this end the government will put forward in one of the nearest sessions of the People's Assembly a complete, detailed project with concrete tasks and schedules, after taking into consideration the opinion of the working people of the country, after consulting the political parties, the trade unions as well as the IMF and other foreign experts who are cooperating without reserves in this field.

The government's program is based on two main objectives, whose realization is going to be attained through intertwined actions:

Firstly, the economic recession should be stopped and economy be introduced into the course of stabilisation. This will be attained through such measures as the stimulation of the material interest of the working people through the wage increase and sharing in profits, based on the increase of production, insurance of the necessary fund of the mass consumer goods and raw materials and a more intensive exploitation of the country's natural assets.

To this end the process of attracting the foreign capitals and investments in joint activities and ventures will step up, the links of economic, productive, financial and trade cooperation with foreign countries will expand, especially through aids and credits from the states and international financial institutions, from other institutions and firms, as well as from our compatriots and various associations. This depends on the new climate of mutual understanding created by the political, legislative and economic reforms in Albania, on our engagement in preserving the stability and irreversibility of these democratic processes, and on other measures stimulating the foreign capital, which will be approved by this pluralist assembly.

Secondly, the gradual and full switch to the market economy be carried out, with all the forms of property cooperating and contesting, being in harmony with the regulation and control role of the state.

The essence of the reform's actions is the privatization of the economy and the legal and practical guarantee of all subjects to be entrepreneurs. In this field some steps are taken in the legal aspect, as the first phase, the small privatization is being expanded and extended to all the sectors of retail trade, of public and handicraft service, of automobile transport, including here also the sale of the dwelling flats, etc. This will begin to be realised on a wide scale since June this year through the sale by auction and the other forms which evade corruption and give priority to the talented working people and those who pay at once, in order to create similar conditions to all the entrepreneurs who wish to buy through their own resources, on credits or rent. The state will protect the private sector and will help it consolidate as soon as possible, relying also on the contracts with foreign private investors. The second phase will include the privatization of the medium and big enterprises, in the production sector of mass consumer goods, in construction, public services, etc.

It is indispensable to preserve state property in the branches of decisive importance for the development of the economy. But the state enterprises will be reorganised and run in a new way. They will not depend on the state in taking the decisions to orientate the production and sales, to fix prices and payments, etc., according to the contract and fiscal obligations. This form will start since this year, in order to radically improve their administration, to qualify them in the conditions of the competitive economy and effectively adapt to various forms of cooperation and integration with foreign firms. The state will continue to limit the independence of those enterprises which have a monopoly of the market, such as the chemical fertilizer production plants, hydropower stations and heat power stations for the generation of the electric power, oil etc., to control and avoid any speculative abuse at the expense of the country's consumers.

Besides these, there will exist the collective property in the form of the cooperated economic organisations in agriculture, in industry, transport, trade and public services, the private property in individual form, with partnership or companies and firms of co-property through the public and private subjects, local or foreign. All the forms of property will enjoy the equal legal status guaranteed by the Law "On the Main Constitutional Provisions." The relations of employment in all the sectors of the economy will rely on the contracts of individual and collective work, based on the new juridical codes to be elaborated and approved by this assembly.

The land remains state property, like our natural resources. It will not be sold or purchased, but it will be hired for a fixed term to the local and foreign utilizers, to make industrial constructions, motor and railway roads, for construction of apartment blocks etc. The evaluation of the land as an object of use will be made on the basis of its locality and fertility and economic priorities stemming from its use. The state will endorse all the measures leading to the real economic productive independence of the agricultural cooperatives, through the application of the new forms of cooperation and organisation according to the conditions of each zone of the country.

The price reform occupies an important place in the whole process of transition onto the market economy. The price policy has begun to be liberalized. The objectives of this process are the approach of the prices to the value, as the first phase, and to the world prices as the second phase. The purchase and sale prices of fruits and vegetables, of some kind of public services, of handicraft and social food will be liberalized since this year.

An immediate liberalization of prices as a whole would create an undesirable situation from the economic and social point of view, because it would gravely impair the level of payment and income of the population. Therefore it will be made step by step, depending on the development of privatization, the measures for the realization of the exchanges with foreign countries, on the stages of the development of the convertibility of the currency, on the increase of the offer of the goods and insurance of the foreign currency reserves in cooperation with the capital and the technical foreign assistance.

The liberalization of prices will firstly lead to their rise. But the government has committed itself to take the necessary measures to cope with the liberalization of prices reducing to the maximum the social and economic effect on the population. To this end the compensation of the wages and pensions of the working people should be done in order to cope with the increasing prices of food and non-food products and of the most necessary services for living. In agreement with the trade unions the mechanism of indexing the prices with the workers' wages will be applied periodically.

On the basis of the study to be submitted to the Council of Ministers within May 15, the concrete measures for the liberalization and increase of wages as a whole will be taken, beginning from the second half of the year. On the conditions of the economic crisis we are undergoing, it is indispensable that these measures and efforts to make possible the speedy application of the wages' reforms by the government are in agreement with the trade unions.

According to the study, the wages' reform envisages the state control not only on the fund of the wages as a whole but also on fixing the minimum wage for every branch and subbranch of the economy, which is planned to increase. The minimum levels of the wages will be obligatory to be applied by every state or private economic subject. The enterprise, in agreement with the trade unions, will fix the number of the work force and the wage for every working people without any limitation. Beginning from July 1, for 1991 alone, the enterprise will have full competence on the profit realized by the sales, using it for the remuneration of the working people, lifting the present restrictions up to 3 monthly payments and observing the fiscal obligations to the state.

The Council of Ministers will take the necessary measures to improve the financial situation. To this end it is aimed at restraining the further increase of the budget deficit, its gradual absorption, having as the final objective the insurance of the stable budget and financial equilibriums. Likewise during 1991 measures will be taken to reduce the losses, curbing the financing of the activities conducted with subventions and endowments, as well as strictly controlling the cut of the expenditures, investments of the productive and nonproductive sphere, including also those of defence, to an extent of about 20 percent. The government has committed itself to put on a direct ratio the growing rates of the expenditures and budget incomes, to make the expenditures dependent on the incomes both for the whole state administration and institutions, and the district people's councils as well, so as to attain the reduction of the budget deficit.

It will try to apply effectively the fiscal policy and of its instruments, so as to reduce the elements of the centralized and commanded management in the economy and replace them with the indirect interference of the state in its running. The fiscal system will be used both for the insurance of the resources of the budget income, and for their rational use, aiming at the same time to discipline the market and fluctuation of prices.

The objective of the fiscal policy will be to support the privatization and investments of the foreign capital in our country. At the same time the automatic financing of the losses of the various enterprises will be evaded and the customs' policy will be carefully applied, in order to protect some of the important enterprises and sectors of the economy from foreign rivalry, which in the stage of transition will be in difficulties.

The state budget will be reformed in structure and content both for the incomes and for the expenditures. We will have a national and local budget, reorientation of the expenditures, a clear reflection in the state budget of the balance sheet of the export-import actions and the non-trade ones. The budgets of the districts will be reorganised on the basis of the balance sheet of the expenditures with the incomes, withdrawing those duties and taxes which have a local character and which will further enhance their responsibility and independence.

The government will take measures to reform the bank system, making the speedy switch on to the two-level bank system, and the Albanian State Bank, as a central bank will be in the first rank, whereas on second level all the other trade banks, be they specialized, or simply trade, share-holding and joint ones with foreign capital. It will be intended that within a short time the state central bank should not give direct credits for the economy, primarily creating some specialized banks, as the saving bank, agricultural bank, the trade bank, and other private and joint banks. This will start by liberalizing the activity and giving more independence to the bank branches and by augmenting their agencies throughout the country.

The Albanian State Bank will be given the attributes of a central bank with priority duty of emitting currency and the preservation of its purchasing power. It will be duty bound by law to apply a "restrictive" monetary and credit policy aiming, taking into consideration the quantity of surplus money in circulation, to soften the current level of inflation of more than 30 per cent and halt the devaluation of money.

The other banks will apply a flexible policy in the field of interest percentages, aiming at accelerating the retrieval of the money quantity and capitals and their efficient use. Hence the interest offered by banks will be in function of the quantity of the deposit, its term and percentage of inflation.

At the same time trade credit, which will serve the population, too, to buy several kinds of goods, such as washing machines, refrigerators, TV sets, cars etc., will be applied. Bank credit, especially the long-term one, on the basis of mutual interest of the economic subjects, will be reformed aiming at endorsing the development of private and shareholders' economy.

The monetary policy of the Albanian State Bank will be anti-inflationary. It will involve in resolving the problem of the convertibility of our national currency step by step, making all efforts to ensure the currency reserves to this end.

An immense role in the efficient utilisation of the material and monetary resources will play the legalisation of the nonofficial currency exchange market, where foreign currencies, bills of exchange will be sold and purchased, etc. Defining a fixed and variable trade course in compliance with offer and demand for other operations, the state will make use of the emission of state bonds with interest percentage in relation to the deposits to cover up the budgetary deficit and to finance the policy of social protection.

The liberalisation of exchanges with foreign countries for consumer goods and industrial processed and nonprocessed products will begin this year. The private producers and traders will be free to export and import goods according to their needs, after having taken the license on their activity.

The investment of foreign capital, as well as that of the Albanians abroad will play a major role in the reorganisation of the economy and the creation of an efficient structure. The policy of the government will support the creation of favoring conditions for investing this capital and the creation of joint ventures. To this end the respective necessary organisms will be created to impose discipline in economy in order to guarantee the compliance of these activities with the priorities of the country's development.

Many promising steps have been initiated for cooperation with the International Monetary Fund, World Bank, the EEC, the UNDP [UN Development Program] and other separate banks. Our immediate interest and sole possibility is the financing with foreign sources or the moratorium of obligations emerging from the deficit of foreign currency and payments balance, to keep industry functioning, to stabilize the mass consumer goods market, to finance the programs of the development of the key branches of economy. In cooperation with some main European banks, this moratorium has been attained till now for approximately ¼ of our foreign currency obligations. Our economic state, as we mentioned above, is such that makes this intervention an imperative of the time. The government will immediately enter into more intensive contacts with the above mentioned institutions to ensure the necessary credits, whose realisation demands a certain period of time. Hence, for example, our membership to the IMF, according to procedures of this organisation, cannot be realised before September 1991. Without waiting for this membership, the government will strive to ensure as

soon as possible the credits by the Italian state, as well as of other banks, firms, institutions and countries. Possibilities exist to exploit the known mechanisms of the international financial market, to recycle or "purchase" from a third party of the current currency debts the country owes, orientating its pay in compliance with the reactivation of economic potentials of the country in cooperation with the foreign capital.

In order to attain the targets of the government program it is required a priority development of the branches and sectors with clearer perspectives and the insurance of a higher and indispensable efficiency for the interests of the country's development. The government upholds that such branches are agriculture, foodstuff and light industry, transport, tourism and public services for the people. At the same time it will strive to renovate the technique and technology of the heavy industry through cooperation with foreign firms, especially in such efficient branches as those of hydroenergy, petroleum, chrome etc.

The government will take care of the people's employment, who, owing to the reformation and restructuring of the economy, will be excessive in various branches and sectors of the economy. The means of social assistance financed by the budget and employer will be applied for those who will not be employed immediately.

The government will strive to normalise the population's housing problems within a near perspective, especially in the city, not separating it from the urbanisation of the countryside. It will stimulate the construction of apartments by the citizens themselves and will also put on sale apartments which are state property, with favorable prices for instantaneous purchases or on installments.

Care will be taken of creating facilitating conditions for the woman, eliminating the third shifts. In compliance with the economic possibilities to be created, we will go towards the reduction of the weekly working hours for all the working people, with the aim that 1-2 Saturdays a month be paid days off. By making the necessary reorganisations, the state commits itself to meet as soon as possible the just demands and interests of the youth, for its qualification, employment, rest and entertainment. To this end another separate institution will be created in the composition of the new government.

The problems of education, as forerunner of our socioeconomic developments, will be treated with special priority. Our fundamental duty during this period will be the normalisation of the situation in the university and the successful conclusion of this school year, the realisation of the new educational reform, the elevation of quality and modernisation of the school on the whole. The work initiated to depoliticise and democratize the school will further deepen on the basis of new conception of plans, programs and particularly of the content of teaching in conformity with the needs of the country's development and its integration to the European processes.

Secondary education will undergo essential changes in extension, organisation and content. Except the professional schools for workers, the training of middle technicians will be organised in conformity with the fresh needs of the economic development and the demands of world labour market. The conception and building of the secondary school in the countryside will be entirely new. In the next school year, secondary schools of general education will be set up instead of the agricultural schools, not leaving aside the training of agricultural workers. It will equip the pupils with the necessary general culture to acquire further education or occupations. The restructuring of some secondary schools of trade and economy, such as those of tourism, confections [ready-made clothing] etc., will be a particular duty.

Special care will be devoted to the higher education, modernisation of its content and particularly of restructuring of some branches and faculties, such as those of economy, sociological, juridical sciences etc. The aim of the higher school will be to launch qualitative important educational steps, so as its diploma be equal with that of European countries. In order to further improve the direction of the higher school, so as it deals only with the problems of content and quality of the didactic process, alongside the reorganisation of the university, the administrative-economic management of problems having to do with the students' living conditions will detach from it, in order to improve and meet them in time.

In conformity with the new developments, work will go on to solve the problems of qualification and requalification of the working people in all levels, down to the post-university ones, at home and abroad, ensuring foreign scientific and professional assistance, profiting from the European experiences and intensifying contacts with the sister institutions.

The Council of Ministers is of the opinion that the realisation of program of the training at a contemporary level of the higher cadre and of the development of scientific research sets forth the necessity of a new organisational conception of the higher schools and scientific institutions. This reorganisation aims at the more functional integration of these links, so as to harmonize and ever better realize financing, the definition and finalization of projects in the field of scientific research and of the training of new specialists. To this end the Committee of Science and Technique and the Academy of Sciences, in cooperation with the higher schools, within 1991, will put forth to the government the study for the creation of a new ministerial organism, which would comprise in its fold an integrated structure on a national scale of the higher schools and some other scientific institutions. With the creation of this new state organism, which would replace the Committee of Science and Technique, the higher school and the activity of this committee will integrate, leaving to the Ministry of Education all the other school and preschool activity.

In the field of culture and arts it is aimed at elevating their quality to contemporary levels. Being entirely open to the contacts with the cultures of other peoples, which will further expand in the future, our culture will increase its efforts to consolidate the national physiognomy, aiming at expressing life and the aspirations of all the strata of our people. In the framework of the transition to the free market economy, the privatisation even of a part of the institutions and cultural artistic activities will be carried out, and measures will be adopted to increase the incomes and cut the expenses of the other institutions to remain state ones.

In the future too, the state will take care of the development of physical culture and sports. Alongside its support, it is aimed at detaching the activities of the sports clubs from budget finances.

Priority will be attached to the protection and strengthening of the people's health, the increase of the life expectancy and the further reduction of infantile mortality. Through aid and cooperation with humanitarian international organisations and associations, the supply with medicaments [medicines] and equipment of health institutions with the necessary material base and apparatuses will perceptibly improve. Health service will be reorganized in conformity with the demands of the market economy, urging privatisation in this field. The protection of the environment from pollution and the control on the hazardous wastes will deserve a special attention.

Proceeding from the fact that equilibriums in Europe and in the world are not finally set and that our country is in a turbulent region, the government will adopt all the necessary measures to guarantee the safeguard of freedom and independence of the homeland. It will endorse the realisation of a profound reform even in the military field which will lead to its depoliticisation, starting with the renovation of the mentalities of military thinking, the improvement of the organisation and of the structure of the armed forces and their qualitative training, the consolidation of the military order and discipline by introducing again the ranks. In conformity with the conditions, we will consider the possibility of reducing the military service term of the citizens, intensifying the qualitative training of the contingents through the reformation of programs, qualification of cadres, making the structures and organs more compact and facilitating their application.

Special care will be attached to the further enhancement of the figure of the militaryman and the forces of the order, the improvement of their living conditions and of their families and for the strengthening of their relations with the people.

One of the main directions of the activity of the Council of Ministers will be the commitment for the creation of a juridical, modern, and democratic state, which is one of the main demands in the programs of all the political parties. To attain this goal, work is going on in several directions, such as the compilation of the draft-laws and the issuing of sub-legal acts arranging the new social relations that have been created in our country, in the conditions of the multiparty democracy and of the transition towards the market economy. As to their width and depth, these changes to legislation will constitute a genuine juridical reform, alongside the economic one.

Important restructurings will be carried out in the state apparatus in compliance with the constitutional juridical norms to free it from red tape and make it more efficient. Besides effective measures will be adopted to ensure the rigid implementation of the juridical order and of legislation, as an indispensable condition to guarantee democracy, stability, democratic rights and freedoms of the citizens.

The legal reform will pursue two main paths: that of the working out and passing of new legal and sub-legal acts, giving priority in time to those related with the economic reform and that have to do especially with the privatisation and free initiative in economy, as well as with that of revising the legislation in power, by proposing the assembly respective changes in all its component parts.

In the economic field, object of the legislative reform will be the defence and guarantee with equally legal means of all the forms of property, the full and suitable arrangement of the manners and forms of transition from one kind of ownership on to the other and of the relations with foreign owners. Essential changes will occur also in the right of inheritance.

In the process of transition to the market economy the economic subjects will be diversified. To this end the full juridical arrangement of their rights, duties and legal guarantees will be done. The acts adopted until now on the private activity and the foreign investments, despite their special importance, do not fulfil the necessary juridical framework. To this end immediate changes will be made to the civil code and to the code of civil procedure, and the basic legislation will be prepared to be broader, more improved for the enterprises and companies, foreign investments, contracts, ownership, taxes and levies, bankruptcies and the currency market.

In order to arrange the juridical and civic relations with the foreigners, codes will be worked out on international trade and maritime right, international transport. All conventions related to international civil law, will be examined, adhering to those profitable for our country, and special laws will be worked out on licenses, the right of the author, invention, registration of patents, etc.

In the sphere of labour relations, in the framework of the economic reform, it is set the task of revising on the whole the labour code, in which the relations emerging between the worker and the private entrepreneur, native or foreigner, the relations between the trade unions and employers, state or private will be juridically arranged. The guarantee by law of the necessary means of livelihood for the unemployed or the persons with few

incomes, defending them from the eventual increase of the cost of living is closely linked with them.

In the field of finances, the law for the fiscal system and the code of customs as well as new acts will be worked out. They will ensure the economic integration of our country to the foreign world.

Essential changes will be made to the legal acts in the field of justice as well, both in those that have to do with the juridical position of the organs especially those of order and national security and in the penal code and that of penal procedure, revising radically the penal sentences, according to the processes of democratization and the defence of the human rights.

The reform of legislation will include also the reorganization of the organs of the state administration in the center and base, beginning with the Council of Ministers up to its lowest links. The activity of the Council of Ministers and some ministries such as the Ministry of Foreign Affairs, the Ministry of Public Order, the Committee of National Security, and the Ministry of Defence, for which no complete legal norm has ever been applied, will be arranged by law.

A main problem will be the radical revision of the organs of state administration, in the center and grass root, with a general inclination to expand the competences of local organs of the power and administration. Over the transition towards the market economy the central and local organs of the power will ever less deal with the operative management of the economy, to concentrate themselves in running public sectors, the development of urban life in cities and other dwelling centers. This will make indispensable their restructuring in accordance with the new tasks, always maintaining the relations of the central power with the local organs of the state administration.

The consolidation of the juridical order, which has experienced serious troubles recently as a result of the great economic difficulties and social, political tensions accompanying this period of important transformations as well as a result of the shortcomings on the part of the organs of order and justice, are in the center of attention for the government. In order to reestablish the authority of law, which is the indispensable condition for a democratic and civilized society, alongside economic and social measures for the stabilization of the situation, the government will adopt full and all-sided measures so as to guarantee again the security and tranquility to the people, so that to apply the law for everyone who does not observe it. To this end, intensive efforts will be made to consolidate and make democratic the state activity at all levels, to create everywhere the indisputable authority of the law on the part of everybody in every field. These will be followed with special preoccupation by the state organs charged with the maintenance of order and national security. The objective is that their activity be more active and give a competent response to the illegal acts, having a preliminary detective powerful direction, a new spirit of cooperation with all other state organs, with international organisms of security and the fight against crime, corruption, and terrorism.

The activity of the organs of order will rely on a full legal, exact, and comprehensive base for the personnel and it will be accompanied with their all-sided publication for the all citizens. They will respond before the people for the protection of order and tranquillity, pluralistic democracy, for the exact application and observation of the human rights and freedoms. These organs will depoliticize and in their activity will be guided by the new concepts of political pluralism and will function and act only in compliance with the law.

In order to face with their tasks in the future, these organs will perfect their activity. The respective structures and cadres will be reorganized. At the same time, the advanced European experiences and practices will be applied, through increasing cooperation in this field.

The reform of legislation will rely first of all on our reality and contemporary experience. It will be realised on the intellectual potential of our working people and on international specialised organisms, with which we have established relations which will further increase in the framework of our parliamentary legislative activity.

Honoured deputies, the situation in the world has changed. From a situation when peace and international security were valued mainly from the military aspect, the equilibrium of force, now new situations have arisen, when such values as democracy, pluralism and humanism are orientating the political actions and creating a new concept, according to which genuine peace and security should be considered first of all as an equilibrium of the interests of all, where economic development and the observation of human rights play a role of first rate importance.

From this angle, the government proceeded in initiating and realising the further political steps in the foreign field, always linking them with the inner developments and national interests.

Joining the positive European currents is and will be an important strategic priority of the foreign policy of the Republic of Albania. The process of Helsinki has become a fundamental distinctive feature of the present Europe. With the CSCE summit meeting last November and with the Paris Charter for a new Europe, it reached a new stage, that of a process which accepts again the equality of the peoples and their right to define their destiny according to the national fundamental interests and in harmony with the common interests. In general the spirit of cooperation instead of confrontation is dominant, the human dimension in the plane of national and international cooperation is expanding, to guarantee the observation of the basic civic human rights and freedoms. Our country, as an observer in this process, has aimed and expects to assume soon the status of the full member of the Conference of Security and Cooperation in Europe, because it has now made not only a series of legislative and constituent changes according to the demands of the

fundamental documents of this process, but it has manifested in practice the democratic aspiration, development on the basis of the market economy, political pluralism and the juridical-social entirety of the basic rights and freedoms of the nationals. The first pluralistic elections, as well as the attendance of many foreign observers in them, were a vivid proof of the serious commitment of the government in this direction, which will be carried ahead by the fruitful proceedings of our assembly for the institutionalization of pluralistic democracy.

Europe is not characterized by the CSCE process alone. Already integrating structures which have assumed development in its Western part have been created in it, such as the European Community and other regional cooperations. Our government is on the eve of the establishment of official relations with the European Community, and we are convinced to have a fruitful cooperation with them, and it is taking an active part in the regional cooperations,such as that of the Balkans, etc.

The government will attach importance also to cooperation with other European regions and other countries, including here Central Europe, with new forms of integration such as that of Pentagonal, the Adriatic Initiative, etc. Of special value in this direction is the activation of relations with Italy, as a neighbouring country with traditional relations and member of the European Community, which is committed to contribute to the consolidation of political and economic cooperation with Europe and overcome our present economic difficulties. The constructive and human stand of Italy with regard to the Albanian refugees is an expression of understanding and of a realistic policy of good-neighbourliness.

Relations with the world on the basis of known principles which govern the relations among states, and the economic, technical-scientific and human cooperation, will further expand in the future. The cooperation with the UNO, as an universal irreplaceable forum of harmonizing the joint desires of the peoples for freedom and independence, for national emancipation and social progress, preservation of peace and international security, will be in the future too in the focus of our foreign policy.

We consider objectively the special role of the great powers in the world developments and the fates of the future, therefore the reestablishment of diplomatic relations with the U.S.A., just like with the Soviet Union some time before, is a proof of correct understanding of the actual relations and the needs for friendly relations of cooperation, in spite of the size of the countries, distance, and their geographical position.

Proceeding from the criteria of deideologisation of the state relations, the bilateral profit of cooperation and the positive influence on peace and world security, the government has worked and will work to attain the rapid normalization of the relations with Britain, with which we think that, thanks to joint efforts, we have attained understanding, which makes such a thing possible. In the context of broader contacts and relations with the world, we consider not only as possible but also near the day of establishing diplomatic relations with the Vatican, Israel, Saudi Arabia, and any other country.

In the future too, the government will consistently follow the policy of good-neighbourliness, and will back up by all means the process of Balkan understanding and cooperation, which with the second meeting of the foreign ministers held in Tirana in October last year, has entered a new qualitative phase. We hail the understanding and correct stand of the Balkan governments and countries towards the processes of democratisation going on in our country in the latest period, manifested in the friendly spirit and human solidarity, especially on the part of the Turkish Government.

We have been and are that the Balkan cooperation develop as integral part of the European processes, organically linked with them, serve them and coordinate actions in order to shorten the period of overcoming the region's backwardness. In the meantime we are also for that, for the sake of good-neighbourliness in this sensible region, we must look forward, to solve the actual problems not according to the past opinions, the more so through the methods and ways history itself has denounced.

Nevertheless, we cannot neglect the fact that today a real dangerous situation has been created in the Balkans, in Yugoslavia in particular, where revival of nationalism is seriously affecting not only national stability but also the regional and European one as well. Insistence in the nationalistic concepts, moreover seeking of solutions detrimental to the others, in this case, to the Albanians, cannot be efficient for the future of the processes of security and cooperation in the region. Genuine peace and security in the Balkans cannot exist to the detriment of the destiny of the Albanians in Kosovo and Yugoslavia. Regarding this matter, the government will observe the resolution of the People's Assembly, just like it will bear in mind and evaluate realistically the interests of the population of Cameria.

The Republic of Albania is for an equal cooperation and real friendship among countries, for unreservedly support of all positive processes in the world, for democracy and progress ?n the international plane. Its foreign policy will not be a policy of a single party, but a convergence of stands, viewpoints and objectives according to the national interests of development and progress. An Albania with a political and economic stability is an important factor of stability in the Balkans and broader. It has historically proved that it will be always such.

The government will follow in the future too its known policy toward minorities, as a bridge of relation, peace and cooperation among the neighbouring countries.

Albania is for transparency towards the world. It will expand the communication and information on it, just

like it will go on working so that world know better our country with all its actual and historic values. The establishment of stronger relations with the Albanians in the foreign countries, be they emigrant for a long time, or the recently emigrated ones or those who will go abroad in the future in a form organised by the state, as it is under way now, of whom the government will show continuous concern and engagement, according to the norms of international law, is not only a human duty but also a way of rapprochement with the world.

Honoured deputies, the rather difficult economic situation we are passing, lays as an imperative of the day that this assembly, which is preparing the country's future, address a patriotic appeal to all the working people of the country, all political forces, trade unions and social ones to engage in a real cooperation to bring the country out of the crisis and to open up new roads to development.

An organic part of this appeal and an indispensable conditions for the realisation of every program which serves these aims, is the commitment and consensus, that at least up to the end of 1991 strikes and any other act of destructive effect for the economy be suspended. It is necessary that all the workers, peasants, miners and oilmen, bread and milk producers, intellectuals, youth, veterans and the entire population of the country be correctly orientated so that to value properly the grave situation the country and our region is in and the ways to come out of it in the spirit of national unity.

Precisely in this spirit, without any reserve and party prejudice, I had these days consultations with representatives of all political parties of the countries, stressing the need of the country for a government of national unity, inviting them too to take part in it.

The representatives of the Party of Labour voiced their readiness to form a coalition with the other parties, considering it as a guarantee to unity and social peace.

The representatives of the Democratic Party underlined that their party will take part in a constructive way in all the parliamentary life and in the commissions to be created by the parliament. Without doubting that my invitation to the Democratic Party for coalition is free of prejudices, they underlined that nonacceptance of this offer on their part is free of prejudice and their being as an opposition outside the government is an historical necessity.

The representatives of the Republican Party underlined the need of cooperation of experts of all parties and the non-party ones with the government, but they opposed the idea of a coalition in the government, legalising this stand with the fact that their party has no seat in the Assembly.

Representatives of other parties backed up the idea and need for coalition, but underlined that they are still unprepared to take part in it.

In these conditions I proposed to the president of the Republic the creation of a cabinet of experts which will work for the realisation of the platform of the program submitted. Having the approval of the president, I am forwarding you the composition of the new government, which includes also some new ministries linked with the need of reorganization stemming from the juridical and economic reforms we have initiated.

Honoured deputies, I express the conviction that the program presented will further improve with your constructive remarks and suggestions and will be applied through the commitment and efforts of all political forces and working people of the country. On this basis, in the name of the new government I demand your vote of confidence.

Tirana, May 9, 1991.

People's Assembly Discusses Status of Ministries

AU1205145691 Tirana ATA in English 0801 GMT 12 May 91

[Text] Tirana, May 12 (ATA)—After the consultations of the parliamentary groups during these last two days, today, before noon the Assembly resumed the proceedings at 0900. At the beginning of the sitting the chairman of the Presidency of the People's Assembly, Kastriot Islami said: During the last two days the parliamentary groups have exchanged opinions regarding the conception of a more proper structure in the actual conditions of our country and in compliance with the new developments. In the numerous debates and discussions with the heads of parliamentary groups and within the parliamentary groups, it results that it should be proposed to the president of the Republic to make some changes in the structure of the government:

1. The Ministry of Public Economy and Protection of the Environment as well as that of Labour and Social Protection function as committees at ministerial level.

2. The Committee of National Security be not at ministerial level but function as central institution till the respective law is issued.

Regarding this the floor was taken by the heads of the three parliamentary groups. The deputy of the DP [Democratic Party] Neritan Ceka said that the review of the structures of the government proposed to this assembly is an important condition for the functioning of this government and the establishment of the juridical state. The lowering of two ministries' level to that of committees will contribute to the simplification of the structure of the government and is a decision which attracts the attention of the government for a better concept on the construction of the state apparatus. Even more important, he underlined, is the proposal for the change of the level of the Committee of National Security into that of a central institution. In this way, the aim is that this indispensable service for the nation find its place in the

state life with a quite new dimension in the political life, especially with the observation of the freedoms and rights of the nationals.

The deputy of Omonia, Jani Jani backed up the opinion of the colleague Ceka. The deputy of the Party of Labour too, Ismail Lleshi said that the proposal of the parliamentary groups forwarded by the chairman of the Presidency is right and acceptable just like I consider acceptable, he stressed, also the proposals made here by the two chairman of the parliamentary groups.

After the break the chairman of the Council of Ministers Fatos Nano, after communicating with the president of the Republic, Ramiz Alia, put forth the changes made by him in the government structure:

1. The Ministry of Labour and Social Protection be turned into a Committee of Labour and Social Protection.

2. The Ministry of Public Economy and Protection of Environment be turned into a Committee of Public Economy and Protection of the Environment.

3. The Committee of National Security be organized as central institution after the respective law is passed.

4. Theodhori Bej is appointed chairman of the Committee of Labour and social Assistance at ministerial level.

5. Flamur Hoxha be appointed chairman of the Committee of Public Economy and Protection of Environment at ministerial level.

6. The organs of the state security and intelligence service depend on the minister of public order until the creation and organization of respective institutions.

These changes were endorsed by majority of ballots.

Then Premier Fatos Nano answered the numerous questions of deputies on different aspects of the program of the government.

In continuation of the proceedings the contributions began. The floor was taken by over 40 deputies. The deputies of the Party of Labour endorsed the program put forward by the Premier Fatos Nano and the composition of the government led by him, laying the stress on the guarantees this program offers to stop the further recession of the economy and stabilize it, to introduce the economy and all our society into the contemporary European processes.

The deputies of the opposition did not approve the program of the government underlining that it does not make any analysis of those responsible for this grave economic and social situation and does not give any time limit for the realisation of the commitments made in this program.

The people's assembly continues its proceedings.

Government Wins Vote of Confidence

AU1205145891 Tirana ATA in English 0923 GMT 12 May 91

[Text] Tirana, May 12 (ATA)—In the sitting which opened on May 12 before noon, the chairman of the Presidency of the People's Assembly, Kastriot Islami, invited the deputies to vote for the program and composition of the new government. The program was approved with majority of votes and the government of Premier Fatos Nano won the vote of confidence in the parliament.

The assembly will continue its proceedings on May 14.

Human Rights Forum Protests Violations in Kosovo

AU1205145991 Tirana ATA in English 0925 GMT 12 May 91

[Text] Tirana, May 12 (ATA)—The Newspaper "BASHKIMI" carries the statement of the Human Rights Forum which says:

The Human Rights Forum is following with great worry the increasing escalation of the Big Serb repressive policy pursued by the government of Serbia against the Albanians of Kosovo, which after depriving their province of the right of autonomy, it is now trying to truncate the territory of Kosovo through the law "On Serbia's Territorial Organization " in order to erase every trace of the territorial, administrative, political integrity of Kosovo, to liquidate its Albanian physiognomy and the more so to deprive its inhabitants of the fundamental right to live as Albanians.

The forum airs its worry over the fact that the blind policy pursued by the Serb chauvinistic circles and the passive stand of the Yugoslav Federal Government with regard to the violation of human and national rights of the Albanians of Kosovo is giving rise to serious complications in this part of the Balkan peninsula. The Serb chauvinistic policy openly runs counter to not only to the historic right of the Albanians of Kosovo who have been living in their territories for millions of years but also to the norms of international law on the national rights of peoples defined in the UN Charter, Helsinki Declarations and other recent documents. It also runs counter to the European civilization at present, Yugoslavia boasts today of being one of its bearers.

The Forum voices its conviction that the violation of human and national rights of the Albanians of Kosovo is more and more worsening the conditions for overcoming the political, economic, social and ethnic crisis Yugoslavia is gripped by. As for their numbers, the Albanians living in the territory of Yugoslavia make up the third ethnic group of the nationalities of this federation. Consequently, the Forum also expresses its conviction that the bitter consequences of the continuation of Serbia's discriminating end mediaeval policy can be

prevented only by recognizing the Albanians of Yugoslavia as a nation and not a minority as described, only by considering them as a subject with equal national rights as the other nationalities of the federation, only by replacing the current police violence with dialogue, only by giving up the impoverishing policy that makes the Albanian population of Kosovo emigrate, only by granting again to Kosovo the status of an autonomous state expressed on July 2, 1990 by the Assembly of Kacanik, only by creating conditions to the Albanian population of Kosovo to make the consensus after lifting the state of emergency, only by giving up the policy of territorial truncation and finally after guaranteeing the conduct of free elections in all the regions inhabited by the Albanians in the territory of Yugoslavia.

Social Democratic Party Activities Reported

AU0905143591 Tirana ATA in English 1022 GMT 9 May 91

[Text] Tirana, May 9 (ATA)—On occasion of the creation of the branch of the Social Democratic Party for the district of Korce a meeting was organised in Korce city.

The writer Sotir Andoni spoke of the democratic traditions of the Korce inhabitants, the figure of the democrat Fan Noli and other patriotic figures of this district.

On behalf of the Initiating Commission of the Social Democratic Party, the floor was taken by Prof. Dr. Skender Gjinushi. Analysing the program of this party, he emphasized that it assesses the glorious history of our people, the incessant struggles for freedom and independence, democracy and progress. The Social Democratic Party, he emphasized, is to build in Albania a European type society, in whose foundations will be the free and democratic man, who should be viewed not as a producing subject, but also as individual with all his social, cultural and intellectual aspirations. As a reformist party, it is of the opinion that society should not be conceived in a dogmatic and static way and that problems should be solved in a reformist way through dialogue and tolerance and consensus among the various political forces.

The branch of the Democratic Party for Vlore organised a meeting with intellectuals of this district, as well as with members and its sympathizers.

After pointing out the democratic spirit of Vlore people, the members of this branch spoke on the extension of the branch and sections of the Democratic Party in the city and countryside. They dwelt also on a series of actual social and economic problems of the district, which call for rapid solution and democratic ways.

At the meeting the floor was taken by the chairman of the Steering Commission of the Democratic Party, Dr. Sali Berisha, who pointed to the partial, but historic qualitative victory of the Democratic Party in the first multiparty elections of March 31, as a testimony to the democratic spirit of the Albanian people, underscoring also the shortages of the propaganda work during the election campaign, especially in the countryside. Further on he dwelt on the work the branches of the Democratic Party and the grass root sections should do for reorganisation, aiming at a more lively and fruitful activity with the masses and a complete conception and devotion to democracy as a historic mission. Likewise, he spoke also on the proceedings of the assembly, as well as on problems of the exodus of Albanian citizens.

Mat District Miners End Strike

AU1005162391 Tirana ATA in English 1122 GMT 10 May 91

[Text] Tirana, May 10 (ATA)—After a suspension of work for 20 days, on May 9 the miners and other working people of the mines of Bater and Kraste, Mat District, resumed work. On May 8 Drini Mezini, minister of industry, mining and energy, and Hajredin Tahiri, chairman of the Executive Committee of the District People's Council, went to talk with the leading commission of the strike. After a long talk and debate they agreed to interrupt the strike and resume work since a part of the economic demands of the miners were met or on the way of solution and terms were fixed to meet the other demands. An operative staff was also formed to follow the unsolved problems, made up of representatives of ministries, the Executive Committee of the District People's Council, and departments of the mines of Kraste and Bater.

BSP's Lukanov Sentenced for Libel

AU1005141191 Sofia BTA in English 0958 GMT 10 May 91

[Text] Sofia, May 10 (BTA)—Today's "DEMOKRATSIYA" informs that Mr. Andrey Lukanov, deputy chairman of the Bulgarian Socialist Party, has been sentenced for libel. Mr. Ivan Orizarski, a chemical engineer and innovator, will get 800 leva damages.

The dispute started last year when Mr. Orizarski laid charges against Mr. Lukanov in connection with the apartment occupied by the latter. Mr. Orizarski claimed that the BSP leader, prime minister at that time, had taken the flat unlawfully.

Mr. Lukanov counter-attacked in "DUMA" stating he had seen Mr. Orizarski's name in a daily's crime column years before.

The court established that the feature in question had appeared in actual fact in an ethical topics column.

Mr. Orizarski himself is satisfied by the outcome of the trial, but does not intend to let the matter rest at that and will lodge an appeal for receiving the amount of his original claim: 5,000 leva. Besides he is going to go to law with Mr. Lukanov for the apartment the latter lives in, on which he has claims.

BTA Reports SDS Controversies 'Aggravated'

AU1105142991 Sofia BTA in English 1615 GMT 10 May 91

[Text] Sofia, May 10 (BTA)—The contradictions within the most influential Bulgarian opposition coalition, the Union of Democratic Forces (SDS), have aggravated. After Mr. Stoyan Ganev and Mr. Aleksandur Yordanov were relieved of their posts in the leadership of the parliamentary group of the SDS two days ago, this confrontation became obvious. Many observers here believe that the SDS with its two wings—a radical and a moderate one—may even break up.

Today's news conference of Dr. Petur Dertliev of the Social Democratic Party now the only leader of the SDS parliamentary group and the new leadership of the SDS in parliament, did not overrule this supposition though they insisted for two hours that the only differences were in the tactics of the SDS.

Mr. Ganev and Mr. Yordanov are among the 36 opposition M.P.'s who signed a declaration calling for the self-dissolution of the present parliament with its Socialist majority on May 15. They are outspoken representatives of the radical wing which professes neoliberal ideas. Today Dr. Dertliev did not conceal the fact that they were dismissed from the leadership because of this declaration. On May 15 the 36 M.P.'s will walk out of parliament.

Dr. Dertliev and the new leadership of the parliamentary group of the SDS, which represents the moderate, left-wing and centrist M.P.'s did not give a convincing answer as to their confrontation with the SDS leadership and their differences with SDS organizations in the country. The national conference of the SDS on May 19 will probably support the 36 M.P.'s, "but the conference is only of a consultative nature," Dr. Dertliev stressed.

The new leadership of the parliamentary opposition claims that the SDS will remain in parliament to pass the constitution by the end of June. But if the Socialists obstruct its passage, the rest of the opposition will also walk out of parliament. Dr. Dertliev repeated several times with conviction that the new parliamentary elections will be held in the autumn.

BZNS Board Declaration on Property Issued

AU1005192191 Sofia Domestic Service in Bulgarian 1900 GMT 10 May 91

[Text] The Bulgarian National Agrarian Union [BZNS] Permanent Board announced on Bulgarian Television tonight its view on the recent report of the Ministry of Finance about illegally acquired financial resources of politically parties and organizations which should be restored to the state budget.

According to the BZNS Permanent Board, the claims addressed to the Agrarian Union have no legal justification. It was pointed out in the announcement that in the period 1949-1989, the BZNS suffered financial losses as a result of the illegal confiscation of properties by the state which the party had acquired prior to this period.

The BZNS Permanent Board is convinced that the questions raised by Minister Kostov in his recent report rather apply to the competence of the Grand National Assembly and to the commission established for the purpose.

Opposition Council Supports Assembly's Dissolution

AU1005075091 Sofia BTA in English 2354 GMT 9 May 91

[Text] Sofia, May 9 (BTA)—Today the National Coordinating Council of the Union of Democratic Forces (UDF) [SDS] supported the demands of 36 opposition MP's for parliament's self-dissolution and for new elections in July. The decision came one day after two MP's who signed the declaration, Mr. Stoyan Ganev and Mr. Aleksandur Yordanov, were removed from the leadership of the UDF parliamentary faction.

Differences in the UDF coalition seem to focus on the timing of the general elections. Dr Petur Dertliev, now the sole floor leader of the UDF, who is also leader of the Social Democratic Party, is in favour of elections after the adoption of the new constitution.

According to a well-informed source, the political forces have reached agreement under the president's auspices on the adoption of the new basic law until the end of June, on a self-dissolution of parliament and scheduling of simultaneous general and local elections in September.

Will the UDF split, and if so, into how many parts? A number of analysts have been asking these questions of late. Some light on the matter is expected from the coalition's national conference due to open on May 19. Next week the 36 MP's will temporarily leave parliament and will also wait for the conference resolutions, said one of the declaration signers.

Changes in SDS Legislative Leadership Reported

AU0905113991 Sofia BTA in English 0803 GMT 9 May 91

[Text] Sofia, May 9 (BTA)—"DEMOKRATSIYA" informs of changes in the leadership of the parliamentary group of the Union of Democratic Forces (SDS). Mr. Stoyan Ganev was relieved of his post as co-chairman of the faction, and Mr. Aleksandur Yordanov as spokesman. Both belong to the radical wing in the SDS. Three new deputy chairmen of the parliamentary group were elected: Mr. Petur Staykov of Ecoglasnost, Mr. Marko Todorov of the Federation of Clubs for Democracy, and Ms. Viktoriya Dimova of the Nikola Petkov Agrarian Party. The newly-elected spokesmen are Mr. Vladimir Sotirov of the Green Party and Mr. Georgi Mishev of the Federation of Clubs for Democracy. The structure of the chairmanship of the parliamentary SDS is to be determined later on, according to the newspaper. Significantly, the new members of the leadership of the parliamentary SDS belong to parties and organizations which were against the walkout prior to the passage of the new constitution.

Mr. Aleksandur Yordanov is quoted by "24 CHASA" as saying that Bulgaria's democracy is turning Soviet-like. According to him, politicians and leaders of parties and organizations are literally copying facial expressions, gestures and intonation patterns from Soviet Communist Party leaders, they do not want radical changes but only a Soviet-style perestroika in all spheres of life. Mr. Yordanov describes the present situation as a "new April political course" of democracy and a gradual process of Sovietization (named after the April course launched by Todor Zhivkov).

Fatherland Union Refuses to Return Property

AU0705082991 Sofia OTECHESTVEN VESTNIK in Bulgarian 27 Apr 91 p 1

[Unattributed report: "The Fatherland Union Urges Minister Kostov To Withdraw His Claims"]

[Text] At yesterday's regular session, the Coordinating Bureau of the Fatherland Union's National Council was acquainted with and adopted a stand on a letter from Finance Minister Ivan Kostov, in which the minister declares his intention, on behalf of the state and in the form of a state confiscation, to claim the budget resources granted to the former Fatherland Front from the Fatherland Union. According to the letter, the sum, "amounting to 127.8 million leva and to 205.8 million leva calculated with interest, was granted without any legal justification."

The Fatherland Union expresses the view that the claim is inaccurate, unjustified, and unconfirmed.

In implementing the decisions of its extraordinary congress, the Fatherland Union has politically distanced itself from the rejected past of the Fatherland Front. In this connection, in addition to all other measures adopted and evidence provided by the Fatherland Union as a new and independent organization, the union established and returned to the state a property worth over 40 million leva as early as in the autumn of 1990.

In the meantime the organization declared its intention and actually ceased to exert the state functions and activities that it had been entrusted with in the past on the basis of laws and other legal documents, and which were entirely or partially financed by the state budget. Minister Kostov's claims are presumably based on the aforementioned funds. No claim can be addressed to the Fatherland Union in connection with financial resources that were actually granted to the former Fatherland Front organization for activities "exercised on behalf of the state," such as the following: the organization of elections, the implementation of the constitutional obligations of National Assembly deputies and people's councillors, the organization of opinion polls at the assignment of constituents, activities related to the protection of law and order, the development of private farm plots, and measures connected with the production of local food supplies, town development and canalization, collecting secondary raw materials, managing local clubs used by all other organizations, and other such activities. Each of these activities were undertaken on the basis of a law, a decree, or a government act, and was hence subsidized by the state budget.

The Coordinating Bureau of the Fatherland Union's National Council, basing itself on all facts and legal instructions, urges Minister Kostov to withdraw his claim against the Fatherland Union, after having examined the documents in question and other pieces of evidence.

Difficulties on Draft Bulgarian-Soviet Treaty

AU1005165091 Sofia BTA in English 1455 GMT 10 May 91

[Text] Sofia, May 10 (BTA)—Bulgaria wants the Soviet Union to guarantee its national security and territorial integrity in the bilateral treaty which is being drafted, a well-informed source of Bulgaria's Foreign Ministry told a BTA reporter on condition of anonymity.

Bulgaria and the Soviet Union have already exchanged drafts of the new treaty. The Bulgarian draft has been worked out by Foreign Ministry experts following guidelines by the National Security Council with the president. The source said that in breach of the normal procedure, the draft had not been discussed either by the government or by the respective parliamentary commissions. It had been presented directly to the Soviet side instead. According to him it will hardly be possible to clarify all moot points and to sign the treaty in the near future.

Under a special clause in the Bulgarian draft each side to the treaty must undertake military intervention in case the other side is attacked, according to the source. There is no such text in the Soviet draft. The source believes that such guarantees should not, and cannot be sought from the Soviet Union. Moreover, this clause poses a number of threats to Bulgaria.

Under the Soviet draft treaty none of the sides should join organizations directed against the other side. The source said that the Bulgarian side will not commit itself to this condition.

The Bulgarian side wanted the Soviet Union to grant particular rights to its citizens of Bulgarian extraction. However, this problem was settled ,rather hazily, in the Soviet draft treaty.

The source believes that while drafting a bilateral treaty with the Soviet Union, Bulgaria should also sound out possibilities for signing similar treaties with the other great powers.

On his return from the Soviet Union two days ago, the socialist party leader, Mr. Aleksandur Lilov, said that the drafting of the new bilateral treaty should be speeded up. Mr. Lilov added that it had been discussed at his talks with President Gorbachev.

Today's "DEMOKRATSIYA", the daily of the Union of Democratic Forces, writes that the contents of the previous treaties should be made public prior to the drafting of the new one.

"The treaty which is being drafted will take into account the two sides' interests, it is not to the detriment of this country, and does not place it in a subordinate position," Mr. Valentin Stoyanov, the president's spokesman, told a news conference today. Answering a question, he said that he did not expect a controversy to arise between the political forces on this matter.

Tomov Explains BSP's Financial State

AU0605193791 Sofia DUMA in Bulgarian 2 May 91 p 2

[Unattributed report: The Financial Claims on the BSP Are an Attempt To Put the Party in a Tight Corner Reckons Aleksandur Tomov]

[Text] It is not incidental that the question of 2.7 billion leva has been raised exactly now—this actually means the nationalization of the party's property, Aleksandur Tomov, deputy chairman of the Supreme Party Council, announced at a meeting with socialist workers on 27 April. The ultimate aim of this, in his opinion, is to leave the BSP without a newspaper, without clubs, without anything, to put it in a tight corner before the elections.

Tomov said, we will insist on an exact assessment and impartiality when this matter is being settled. According to the BSP's financial experts, 1.3 billion leva's worth of subsidies were received over 21 years. There are documents to substantiate these amounts. The BSP's deputy chairman explained that property was returned to reimburse the state, but this has not been taken into account.

The Finance Ministry's commission has added subsidies for another 20 years and interest for the period 1949-1990 making a total of 2.7 billion leva. Tomov recalled that some funds allotted to the BSP had gone to state necessities.

Pushkarov Views State of Trade With USSR

AU1105185691 Sofia DUMA in Bulgarian 8 May 91 p 1

[Radka Petrova and Stefan Severin report from Plovdiv]

[Text] Our geopolitical position in Europe and our knowledge of the Soviet market are good reasons for Bulgaria to form a bridge between the USSR and the West, stated Minister [of Industry, Trade, and Services] Ivan Pushkarov at a meeting on 7 May with economic managers and businessmen taking part in the Plovdiv Fair. The minister recommended the economic managers to set their sights on establishing links with the individual Soviet republics.

Minister Pushkarov considers that it is difficult to change overnight an economy like ours, about 60 percent of which is oriented toward the USSR. During the past 15-20 days, signs have emerged of a revival in market relations with the USSR. However, at present no more than 25 percent of companies have firm contracts with Soviet partners.

New offers of goods for the Soviet market are being prepared. A number of Soviet republics have complaints about the clothing and footwear, the minister said, and these products are piling up in our warehouses in vast quantities.

According to Mr. Pushkarov, the stagnation of economic relations between the two countries is due not only to the objective difficulties in the USSR, but also to Gorbachev's purely emotional reaction to certain manifestations in our country, with which the minister does not agree.

Minister Paparizov on Trade With Cuba, USSR

AU0905180791 Sofia ANTENI in Bulgarian
1 May 91 p 3

[Interview with Minister of Foreign Economic Relations Atanas Paparizov by Maria Shalaverova; place and date not given: "Impatient Questions"]

[Text] [Shalaverova] What did you inherit at the Ministry of Foreign Economic Relations when you took over?

[Paparizov] The responsibility of a department, at pains to steer a course that directs its economic activities toward what the market economy demands and not what the manufacturer wants. Unfortunately such a trend has not always had backing.

[Shalaverova] Which three principles did you remain loyal to when you accepted the ministerial post?

[Paparizov] I respect professionalism. It's a little difficult for me now to keep in good shape as an expert, but there again my new post allows me to see things in their real proportions.

I will never create a circle of "my own people."

[Shalaverova] What questions do ordinary people most often ask you?

[Paparizov] They ask how to deal with their housing loan. I explain to them that if they have secure incomes they don't have to pay it back at the moment. But if they are dependent only on one salary, then it's better to put their hand into their savings.

I don't allow myself to hide from people who have fallen into stressful situations that we have difficult times still ahead of us, that is why all of us must look sensibly at our expenditures, we will have to limit ourselves....

[Shalaverova] Allow me two questions that touch directly on the activities of your ministry. What will you say about relations with Cuba?

[Paparizov] We have already coordinated the trade agreement for 1991, which regulates payments on a balanced basis at international prices in U.S. dollars.

In exemplary goods lists, the Cubans have entered into a contract to deliver 100,000 tonnes of unrefined sugar, 20,000 tonnes of molasses, 600,000 tonnes of tobacco leaves, and 200 tonnes of bees' honey. From us they want traditional goods: lard, poultry meat, cheese, soda ash, some machines, and spare parts.

Our exchange of goods with Cuba is within the boundaries of $100 million. The signed protocol gives companies the right to barter. We are optimistic that our relations with Cuba will be on a fair basis.

[Shalaverova] Is there any danger of losing our Soviet market?

[Paparizov] We are doing everything possible to stop this from happening. At the same time mutually beneficial deals will be the dominating factor. You must know that in the construction sector our competitors are Turkey and Yugoslavia. A former employee of the Soviet Embassy promised us cooperation in not sending back Bulgarian construction workers who can work at the company level in the Soviet Union. At the same time, as well as Western companies, India is a new competitor in supplying computer diskettes. Hungary and Romania are our rivals in agricultural products, and Poland even wants priority treatment.

[Shalaverova] It is obvious that the subject of the Soviet Union is constantly in the air in your office. Tell us some of your secrets.

[Paparizov] The time for compromises and friendly pats on the back have gone. We have to fight for the Soviet market, to look for direct links with the republics. A few statistics will show what the tendency is. For the first two months of 1990, 70 percent of our exports were to the Soviet Union. For the same period this year—52 percent. Exports to the rest of the eastern European countries have fallen from 22 percent to 11. During the same period exports to the developed industrial countries jumped from 10 percent to 36.5 percent. The structure has changed. Our role in this process is indirect but nevertheless cannot be denied.

[Shalaverova] Rumors reached us of specific worries harbored by farm workers about imports from and exports to the Soviet Union.

[Paparizov] That's right, they have grounds. Agricultural equipment will be supplied at quite high prices. We know about the fact that a 60,000-tonne crop of early tomatoes is expected. The producers are insisting that this produce is included in the indicative list. Even during 1991 they are relying on the traditional export of this produce taking place. However, this question is problematic.

[Shalaverova] Have there been mistakes made by the ministry that even today are unpleasant to remember?

[Paparizov] Yes. During January we carried out the first exports of lamb by tender, and we didn't realize all the possible surprises the companies could spring on us.

[Shalaverova] Would you like to forecast any dangerous tendencies at the moment?

[Paparizov] It's fully possible that the Common Market will want us to keep up a steady pace in our lamb supplies. It is an open secret that we export on a massive scale when prices are high, and our partners have the right to put pressure on us.

I think that there will be more fodder than meat in 1992. We must try to correct this tendency in good time.

[Shalaverova] In 100 days the government hasn't been able to work wonders. What is your comment on this?

[Paparizov] The first stage of the economic reform hit manufacturing and private consumption. We are now thinking about how to give relief to manufacturers, not at the expense of the annual budget, but through flexible credit policies, for example. That will in fact be the second stage of the reform—to think about the manufacturing industry.

[Shalaverova] You're not complaining of being overworked but it shows. And you're only 40 years old. Do you succeed in still looking at the world through youthful eyes?

[Paparizov] I succeed, but not as much as I would like to.

Tripartite Commission Discusses Economic Relations

AU0805160791 Sofia DUMA in Bulgarian 4 May 91 p 1

[Maria Staykova report]

[Text] We are satisfied with the government's constructive work. If the government should fulfill its commitments by 15 May 1991, we will be ready to sign the agreement on social peace, Radoslav Nenov, secretary of the Podkrepa Labor Confederation, announced at a meeting of the National Permanent Tripartite Commission in charge of coordinating interests.

Later in the evening, the Podkrepa Executive Committee adopted a decision on urging its members to abstain from effective strike actions today between 0800 and 0900 local time. The final decision will be left to the local organizations.

This positive solution was reached after several hours of negotiations on the Podkrepa declaration submitted to the government on 27 April 1991 in connection with the non-observance of the agreement on social peace.

Minister of Finance Ivan Kostov pointed out in this connection that raising the question of economic relations with the USSR at this particular time can only be compared to the behavior of a bull in a china shop. Several experts' delegations recently visited the Soviet Union to discuss the emerging problems, he added. The situation is extremely delicate and you should not further complicate it, the minister declared.

Representatives of the Podkrepa Labor Confederation were satisfied with his reply and declared that they do not intend to interfere in such affairs, but are just seeking information.

According to Kostov, the prices of government-controlled goods should not be fixed considering that they already dropped by 16 April below the level that was originally planned.

Dimitur Ludzhev [deputy chairman of the Council of Ministers] informed the commission that the drafting of the managers' contract, of the new Labor Code, and of measures for alleviating the situation of certain enterprises and inhabited settlements, affected by the cancellation of Decree No. 31 on border areas, is already is already in its final stage.

Today the representatives of the International Monetary Fund [IMF] will express their final view on the mechanism of paying compensations to Bulgarian citizens whose incomes are affected by the economic reform. The IMF officials approve of a differentiated approach to the compensations. They even proposed additional allowances for highly qualified workers, Mr. Ludzhev stated.

The deputy prime minister expressed his hope that the agreement on social peace will soon be signed for a second time [prepodpisano].

In its declaration submitted on 27 April 1991 the Podkrepa Labor Confederation urged the government to publicly admit the personal guilt of certain cabinet members who are responsible for obstructing the reform. The issue was not mentioned at yesterday's meeting. It was presumably discussed in advance between Dr. Trenchev and Dimitur Ludzhev at their preliminary meetings a few days ago.

Production Figures Indicate Further Drop

AU1005203091 Sofia BTA in English 1903 GMT 10 May 91

[Text] Sofia, May 10 (BTA)—Production in Bulgaria is still going down. It dropped by 15.6 per cent in April in comparison with the same month last year, while the manufacture of industrial goods marked a 23.5 per cent drop as against the same period, according to data released by the Central Board of Statistics.

The scope of production in April (in comparable prices in 1990) is smaller than in March. The April results, however, came up to the expectations of the enterprises at the beginning of the month. According to statisticians, this comes to show that manufacturers were clear as to their potential and the difficulties they would face.

Enterprises explain the drop in production mainly with the shortage of raw and prime materials.

During the first four months of the year a total of 2,983 enterprises, or 53 percent of Bulgaria's enterprises, marked a drop in production. Ten have not produced anything during the period. 64 industrial, 10 construction, and 16 commercial enterprises did not work in April.

Industry still has the greatest absolute and relative drop in production.

The production of most foodstuffs has also decreased.

Experts of the Board of Statistics believe that the leap in the prices of goods and services has been checked and cite a 102.5 percent consumer price index in April.

In late April there were smaller areas under the major spring crops in comparison with the same period last year. The drop was the greatest with areas under grain and fodder maize, soya, beans, and potatoes which are one-third of last year's.

At 1.465 leva the average wages in the first quarter of the year are 78 per cent higher than in January-March 1990. The average monthly wages were 488 leva. In material production the average wage is 21 leva lower than in the non-material sphere.

During the first quarter of the year 85,000 people were found redundant in closed industries and because of personnel cuts.

The Central Board of Statistics forecasts that there will hardly be great changes in output unless the economic conditions in Bulgaria have changed.

Foreign Companies Granted Oil Exploration Rights

AU1005090291 Sofia BTA in English 2344 GMT 9 May 91

[Text] Sofia, May 9 (BTA)—The U.S. company Texaco, the British Enterprise Oil and the Austrian OMV were granted licences to prospect for oil and gas in part of the Bulgarian Black Sea shelf. They won tenders attended by 17 companies.

Oil prospecting contracts are to be signed on three more seabed areas and on one land area.

The exploration will take about five years and will be at the prospectors' own expense. Their risk is estimated at about 20 million dollars. If they strike oil, they will spend hundreds of millions of dollars on development. The effort will be coordinated and directed by Texaco which has a 20 per cent stake, as much as Enterprise Oil. OMV holds 10 per cent of the venture. The environment safety of the operation is guaranteed. Bulgaria will keep two-thirds of the extracted oil.

After the signing of the contract, Prof. Vasil Balinov, chairman of the Committee for Geology and Mineral Resources, stressed that the idea of the deal was to tap the prospectors' investment. They can take the risky part of the exploration because they employ high technologies and advanced methods. At least two discoveries are expected in the area of exploration.

After the completion of the risk work, joint ventures will be established with a Bulgarian holding of 50 per cent. The foreign companies will recoup their investment by oil extraction. They will exploit the deposits over a period of 18 to 25 years.

Deputy Prime Minister Dimitur Ludzhev said that this was "a signal to the outside world that Bulgaria is ready for foreign investment. This is the first investment of this kind in Eastern Europe." In his view, Bulgaria is now the most stable country in the Balkans and provides all possible conditions for mutually advantageous business.

Ration Cards No Longer Needed To Buy Gasoline

AU0805080991 Sofia DUMA in Bulgarian 1 May 91 pp 1 ,2

[Boris Gergov report]

[Text] Yesterday, Kupen Dimov, director of the "Petrol" Company sales department, announced that as of 2 May 1991 several gasoline stations in Sofia, in large urban centers, and at major highways are expected to sell gasoline at current prices without rationing cards. In May the owners of rationing cards marked with the numbers 4 and 5 (valid for March and April 1991) still have the opportunity to use their rationing cards for filling their tanks.

The decision on free gasoline sales will be implemented only if the relevant reserves are available, Director Dimov said. He added that daily amounts of 500 tonnes of A 86 and A 93 gasoline are currently available. A total of 30,000 tonnes were supplied in April 1991, while the gasoline available during the same period of 1990 amounted to 130,000 tonnes, which means four times more.

The "Petrol" Company has not prepared any gasoline rationing cards No. 6 [for the month of June] because it expects a liberalization of fuel prices as of 1 May. Nevertheless, the government has not adopted any decision on a change of prices following the aforementioned date, Dimov announced.

Aleksandur Tomov [deputy chairman of the Council of Ministers], declared after a government meeting on 29 April that the rumors about an increase of gasoline prices as of May are unfounded. His statement was already reported in yesterday's issues of the dailies OTECHESTVENT VESTNIK and 24 CHASA.

According to Tomov, the government cannot overcome the crisis without the assistance of the legislature, which should decide whether it is possible to subsidize each tonne of gasoline with 800 leva from the state budget, which is the difference beween the purchase price and the price at which the state is selling gasoline to the consumers.

Price liberalization of fuel products is inevitable. This is also the opinion of the "Petrol" Company managers. They are convinced that no foreign supplier would agree to export raw materials at fixed prices. The deputy chairman of the Council of Ministers stated that even if gasoline prices are liberalized, one liter of gasoline would not cost eight leva as the rumor goes.

Gasoline sales would drop if prices are liberalized, because of the expected inflow of larger fuel amounts from international markets, Dimov said

Shtilyan Stoyanov, manager of the Sofia "Petrol" Company pointed out that a total daily amount of 100 tonnes of gasoline is guaranteed for the capital. The gasoline stations in Sofia will sell fuel at free market prices if the necessary amounts are available. He pointed out the gasoline stations on Vaptsarov Avenue, on "Communist Manifesto" Street, and in the "Mladost 3" residential district.

According to a list issued on the instructions of the Sofia People's Council, the gasoline stations in Gorna Banya, on Kusevich Street, at the "Karaulka" crossing of Plovdiv highway and at the Lom highway will supply gasoline for social needs.

The following five gasoline stations—in Sukhodol, at the Lom Highway, in Rezbarska Street, at the "Karaulka" on the Plovdiv highway, and in the suburb of Orlandovtsi will service only official vehicles.

As of 1 May fuel for official motor vehicles can be purchased without rationing cards, the manager of the Sofia "Petrol" Company announced.

Government Repeals Taxes on Food, Animal Exports

AU1005085891 Sofia BTA in English 2322 GMT 9 May 91

[Text] Sofia, May 9 (BTA)—Today's decision of the government to abolish the taxes imposed last month on the export of live animals, meat and meat products, poultry, sheep cheese and yellow cheese is a reaction to the situation in the home market which has changed compared with that in April. In the opinion of the government's experts, now there is a surplus of these products which just stays warehoused.

Exports of wheat are allowed subject to receiving export licence from the Ministry of Foreign Economic Relations and the Ministry of Agriculture and the Food Industry in advance.

Settlement Reached in Plovdiv Miners' Strike

AU1005191491 Sofia BTA in English 1401 GMT 10 May 91

[Text] Sofia, May 10 (BTA)—The miners' strike ended at noon today. The demands of the tens of thousands of miners of the "Gorubso" Company in the Rhodopes will be satisfied. Mr. Ivan Pushkarov, minister of industry, trade and services settled this problem with the trade unions.

Minister Pushkarov told the BTA that agreement was reached on all issues. According to Mr. Pushkarov the management of Gorubso did not treat the workers justly.

The fifteen points of the protocol settle the problems with the miners' wages, the hazardous conditions in which they work, the debts of the company and with its demonopolization and restructuring.

The chief of the "Olovo i Tsink" Company, Mr. Nikola Dobrev, is expected to appoint the new director general of the "Gorubso" Company in Plovdiv today. The old management has been dismissed.

Prime Minister Popov on IMF Agreement

AU1005203191 Sofia BTA in English 1900 GMT 10 May 91

[Text] Sofia, May 10 (BTA)—Today Prime Minister Dimitur Popov stressed that the agreement signed with the IMF shows that the Bulgarian Government is already being regarded as trustworthy.

For the time being countries like Poland, Hungary and Czechoslovakia form "Division A." Bulgarian and Romania belong to the group of "South European countries with a transitional Socialist system," he said. "The possibility for Bulgaria to enter "Division A" and the European Community under unified conditions is not a mere political ambition. We can complete the talks on our association with the EC this autumn. "God grant, if we manage to do this, things will become easier," the prime minister said.

In the next few days, the prime minister said, we should launch the second stage of the reform. And this means breaking up the present state structures of the economy which thanks to their exclusive situation are deliberately or not deliberately impeding the development of the market.

Kozloduy Reactor Shut Down for Maintenance

AU1105193091 Sofia DUMA in Bulgarian 7 May 91 p 2

[Iliya Borisov report from Kozloudy]

[Text] After completing 324 days of regular operation—34 days more than planned—the first 1,000-megawatt reactor in Bulgaria, installed at the Kozloduy Nuclear Power Plant, was shut down for technical inspection and maintenance, to be recharged with nuclear fuel.

Over a four-month period, 800 specialists of the operating staff and maintenance workers will complete a full inspection of the technical condition of all the systems making up the generating unit. At the same time they will make a number of technical improvements and eliminate faults and irregularities that have appeared during the reactor's operation.

Preparations have also started for recharging the reactor with fuel. The specialists will inspect and reinstall 79 of the fuel canisters and will replace an additional 84 fuel canisters.

The machine used for loading the fuel is of a unique design, and will carry out the replacement of the canisters and the loading of the fuel without human intervention.

Chernobyl Trial: Defense Proposes Adjournment

AU1005085291 Sofia BTA in English 2313 GMT 9 May 91

[Text] Sofia, May 9 (BTA)—Today the defence in the "Chernobyl" trial moved for an indefinite adjournment. Enyo Komitov, counsel for the defence of Grigor Stoichkov, the ex-chairman of the Governmental Commission for Management of Natural Disasters and Major Industrial Accidents, requested an international expert examination of the effects of the accident with the Soviet nuclear reactor in Bulgaria.

Yesterday one witness blamed the official authorities for having misled not only the Bulgarian population, but the international institutions as well, about the effect of the catastrophe. Another witness criticized mr Hans Blix, director general of IAEA, for his attempts to minimize the effects of the accident in Belorussia and in Bulgaria in particular.

The lawyer of the other defendant in the trial, Prof. Lyubomir Shindarov, former sanitary inspector general, who is accused of inadequate reaction after the Chernobyl accident together with Grigor Stoichkov, motivated the request for adjournment by the disagreement between the Bulgarian scientists over the threshold and the linear principle of determining the harmful effect of radioactive contamination.

The defence requested the recall of three of a total of five members of a team of forensic medical experts appointed to examine the effects of the accident. The latter have been called to testify in the case. The team was to submit its findings Monday next.

The defence also requested three confrontations and the call of several new witnesses.

Prosecutor Milka Boyadzhieva believes there are grounds to adjourn the trial in order to carry out extra procedures in the comprehensive expert examination.

If the trial is adjourned (the court will issue a ruling on monday), the prosecution will insist on the appearance of the three witnesses who have defaulted their summonses (including former Number One Todor Zhivkov and Ivan Shpatov, a former chief secretary of the Council of Ministers).

If the trial goes on, the prosecution will move that the pretrial testimony of defaulting witnesses be not admitted in evidence.

The Chernobyl accident cost Bulgaria more than 7,744,000 leva, according to an economic appraisal read in court today. This figure includes documented allocations which covered inevitable losses arising from transboundary contamination. The amount includes the more than two million leva damages for which the state sues the defendant Stoichkov.

The parties to the case had no objections to the economic appraisal.

The defence reacted vehemently to the findings of another comprehensive appraisal. Experts found that the governmental commission headed by Stoichkov had failed to implement in full measure the recommendations made by a team of its own experts, the Agricultural Academy, the Committee for Peaceful Uses of Atomic Energy and other organizations in charge of the Chernobyl effects.

The governmental commission failed to take into account the July 1986 recommendation to discontinue entirely the gathering of medicinal herbs (hence the two million leva losses) and to ban the feeding of farm animals with the first mow of hay and alfalfa (as a result of which radiation levels peaked again in 1987).

The governmental commission reacted just as inadequately to an Agricultural Academy report which insisted on imposing restrictions on the rose-picking session and on the non-use of schoolchildren in it, as well as to a Civil Defence cable on cancelling schoolchildrens' summer paramilitary camps.

Experts say only 30 to 40 per cent of farm produce was tested for radioactive contamination. The produce coming from the private sector was left out of the testing.

The governmental commission did not react to the warning about a second peak of radiation levels.

A vehement argument broke out after Prof. Tsvetan Tsvetkov, an expert of the Research Institute of Cryobiology and Lyophilization, said that there were "fatalities" among the rose-picking schoolchildren. He corrected himself, asserting that what he actually meant was "contaminated children," but this did not help, and at the request of the defence the court removed him from the commission of experts.

60 Percent of Teachers Join 10 May Strike

AU1105181491 Sofia BTA in English 1742 GMT 11 May 91

[Text] Sofia, May 11 (BTA)—Some 60 per cent of teachers took strike action yesterday in answer to the Bulgarian Teachers' Trade Union call for a one-day strike, the chairman of the teachers' strike committee said. Nationwide effective and token strikes at schools and kindergartens are being reported. The members of the Independent Teachers' Trade Union with the Confederation of Independent Trade Unions (KNSB) support the strikers' demands but not their effective strike action. The KNSB chairman, Mr. Krustyu Petkov, believes that the effective strike is escalating tensions.

Part of the members of the Podkrepa Labour Confederation are also on strike though the Teachers' Trade Union with Podkrepa believes it is impossible to meet the teachers' demands at present.

"The Teachers' Trade Union reserves the right to sustain trade-union pressure through strikes with a gradually increasing number of lessons cut unless the Ministry of

Finance satisfies the demands by May 27," the chairman of the strike committee said.

Section Six Communist Informers' Files Destroyed

AU1005185191 Sofia BTA in English 1723 GMT 10 May 91

[Text] Sofia, May 10 (BTA)—A special commission destroyed completely 1,267 archive units of section six of Department Six (the disbanded political police) of the State Security between January and June 1989, Mr. Khristo Danov, minister of internal affairs, told parliament today.

Section Six kept under surveillance top-echelon Communists. When the scandals over the MPs' police files broke out in this country, it turned out that the archives of Section Six had disappeared. Thus the police files of communist informers did not reach the parliamentary commission.

Special warrants ruled that the archive documents should be destroyed "without leaving a trace," Mr. Danov said. All secret agents' files were destroyed. They were described as being "of no operative value". Now a serious investigation is under way and there are attempts at restoring the missing police files.

Mr. Danov said that Section Six was closed in January 1989 at the suggestion of the then first deputy minister of internal affairs, Mr. Grigor Shopov.

A former employee of the secret service said a few days ago that if there had been a "spearhead" plan in Bulgaria aimed at planting provocateurs in the opposition, the destruction of the police files of Communist agents must have been an essential part of it. The first informal organizations, the predecessors of the present opposition, were set up at the end of 1988.

Mr. Danov added in his statement that a serious inquiry into the activity of the former state security is under way. All top-level state security officers have been dismissed. Mr. Danov said that those who have committed crimes will be brought to trial but did not give more details.

Part of French Feed Grain Shipment 'Toxic'

AU1105190791 Sofia DUMA in Bulgarian 8 May 91 p 1

[Meglena Ilieva report]

[Excerpt] According to preliminary data, 40 percent of a French wheat shipment bought by the government is toxic, stated Engineer Lilko Bliznashki, director of the Eggs and Poultry Economic Enterprise. He explained that the government bought the wheat in March and April, when prices were at their highest level, and that previously the feed grain had been stored in warehouses and treated with pesticides.

Kamen Beligerski, an expert at the Ministry of Agriculture and Food Industry, announced that the Institute of Veterinary Medicine had begun tests to establish the harmful effects of feeding animals the French wheat. An agreement has been reached with the French Embassy to invite French specialists. If the joint commission of experts confirms the preliminary negative results, the French side will bear all the costs. Mr. Beligerski said that the results of the expert examination, which is being carried out at the order of Minister [of Agriculture Boris] Spirov, are expected to be ready by 25 May.

Evgeni Marinov, deputy director of the Eggs and Poultry Economic Enterprise in Stratsimir, Mikhaylovgrad Oblast, claimed that up to the end of March goods production valued at 2,234,000 leva had been lost as a result of using poor quality animal feed. Egg losses were estimated to be 1,940,000 leva, and poultry meat losses—270,000 leva. Increased mortality among poultry led to losses valued at 412,000 leva. [passage omitted]

Lany Constitutional Talks Display Optimism

LD1005134691 Prague Domestic Service in Czech 1000 GMT 10 May 91

[Stanislav Benda report on news conference with participants in the 10 May constitutional talks at Lany Castle]

[Text] Good afternoon to you! The next round of talks on constitutions and the state set up has opened in Lany. Following separate meetings held by the president with the Slovak, Czech, and federal political representation this round constitutes a step forward. Vaclav Havel invited 23 politicians representing parliaments, governments, government coalition parties, and legal experts to today's talks. To name just a few of those who were invited: [Federal Prime Minister] Marian Calfa, [Foreign Minister] Jiri Dienstbier, [Deputy Federal Prime Minister] Pavel Rychetsky, [Czech National Council Chairwoman] Dagmar Buresova, [Slovak National Council Chairman] Frantisek Miklosko, [Slovak Prime Minister] Jan Carnogursky, [Czech Prime Minister] Petr Pithart, Zdenek Jicinsky, [first deputy chairman of the Federal Assembly] and many others. Before the talks I asked President Havel for his own forecast of the talks. This is what he briefly told me:

[Begin Havel recording] So far I am unable to say more than that I firmly believe that these talks will be significant and that they will be of key importance. They will also mark the culmination of the present stage and the beginning of a new stage. [end recording]

That was an audio recording of Mr. Havel. Vaclav Havel also told me that he would be pleased if the talks ended today, but admitted that they might continue also tomorrow.

Of course, I also questioned other participants. [Federal Assembly Deputy Chairman] Rudolf Battek believes that today's meeting will yield results. [Federal Assembly Deputy Chairman] Milan Sutovec hopes that the Czech National Council will submit its own specific proposal that will shift all talks forward. Mrs. Dagmar Buresova confirmed that the Czech National Council does, indeed, have such a proposal and that it has brought it along. However, she also said that a state treaty is unacceptable for the Czech side from the international point of view.

In this context it is the statement made by Jan Carnogursky yesterday, which is interesting. Here I quote from the CTK report by my colleague Roman Gal. The notion of state treaty has so far been used as a working term. According to Mr. Carnogursky this notion is something the Christian Democratic Movement [KDH] would not be willing to drop. The Slovak prime minister added at the same time that the KDH insists on the notion of a state treaty. We feel that the state treaty would be able to stabilize relations in the republic. In the context of the discussion on whether this would be an international treaty or a domestic one from the legal point of view, he noted that it is pointless to tackle this question. It would be a treaty between the Slovak Republic and Czech Republic and because neither of the republics is a full legal subject, then from this view point it would not be a standard international state treaty.

Jan Carnogursky rejected the view that the concluding of a state treaty would have to be preceded by the break up of the common Czechoslovak state. He explained that its purpose is to change the structure of the federation. Czech Prime Minister Petr Pithart pointed out that he personally will avoid the notion of a state treaty. He admitted, however, that the differences among individual views of Czechoslovakia's future constitutional set up are not exactly great. The federation must certainly not be broken up into two parts and then rejoined, he added. He went on to point out that the Federal Assembly must not be taken out of the process of constitution drafting. So much then for the CTK report. It is interesting that the Federal Assembly has drawn up no proposal of its own for today's talks. This is what Professor Zdenek Jicinsky confirmed when speaking to me. Fedor Gal [outgoing chairman of Public Against Violence] is an optimist. He is submitting two specific proposals and is of the view that consensus is in sight.

It could be said that basically all the participants are optimistic. If one were to forecast things, then one could say that an agreement should be reached today. Mrs. Buresova expressed it by saying that the Czech and Slovak sides alike understand each other's standpoints better than they did at the beginning of the talks. However, she feels that mutual concessions make sense only if this is to be a well functioning federation. There is no reason to build a Potemkin village! I will bring my next report as soon as fresh information is available to me, as [Presidential Spokesman] Michal Zantovsky promised.

No Result in Talks

LD1005214391 Prague Federal 1 Television Network in Czech 2010 GMT 10 May 91

[Text] The broadest political representation so far of both the republics and the federation met in Lany today at the invitation of the president of the Republic. Complex talks on the future constitutions of our state, which began more than two months ago at the Vikarka [restaurant], have not yet concluded with a satisfactory result. Even the constitutions themselves have not been discussed. So far only the procedures for their approval are being discussed. An originally isolated standpoint of the Christian Democratic Movement, which proposed the conclusion of a state treaty, has gradually become a standpoint of the whole Slovak representation, and its Czech counterpart had to start searching for a way to respect the Slovak standpoint. That is why the results of today's talks are being eagerly awaited. Five minutes ago, our correspondent (Otakar Cerny) phoned us the latest news:

[(Cerny)] In the end, the tiresome and endless negotiations appeared to be unfinished as well. This, however, was to be expected. The talks in Lany today between the

Czech, Slovak, and federal representatives have not come to any definite conclusion. Nevertheless, after the talks today, which were complex and long, as I have already said, it seems that the Czech and Slovak representations have come closer to the final text of a state fundamental law. Further talks will follow in 10 or 14 days. In the meantime, talks will be held in the [deputies'] clubs of both the Czech and Slovak National Councils, and let us hope that all sides will come to a final result in the end. After today's talks, it seems that this prospect can even be an optimistic one.

Havel Comments

LD1105075991 Prague Domestic Service in Czech 0700 GMT 11 May 91

[Text] Following yesterday's talks on constitutions with representatives of the federation and the republics, President Vaclav Havel said all the participants had agreed on the basic features of an agreement [dohoda] or a treaty [smlouva] between the republican legislatures. That agreement or treaty should represent the basis of the federal constitution to be adopted by the Federal Assembly.

Czech National Council Chairwoman Dagmar Buresova said both sides had made concessions.

According to Slovak National Council Chairman Frantisek Miklosko, the Slovak side is still seeking a way in which such an agreement can be adopted so that it is a legal act. The way in which the federal constitution will be endorsed by the republics remains unresolved, he said. Frantisek Miklosko also told newsmen that another meeting should take place within 14 days, probably in Slovakia.

Havel Reads Communique

LD1105224191 Prague Federal 1 Television Network in Czech 1730 GMT 11 May 91

[Report on news conference by President Vaclav Havel with unidentified reporters at Lany Castle on 10 May]

[Excerpts] In yesterday's news bulletins, we informed you about the talks between about 20 of the most important CSFR politicians who were discussing the preparation of the federal and republic constitutions at Lany Castle. The meeting ended late at night and its participants briefed journalists. The final communique was read by President Vaclav Havel:

[Begin recording] [Havel] Participants in the 10 May meeting in Lany agreed that they would recommend to their political parties and movements and to other political forces the idea that the Czech National Council and the Slovak National Council should soon enter into an agreement or treaty on the principles of the future constitutional setup. At the same time, they agreed that they would immediately instruct experts to begin work on the text of such an agreement or treaty on the basis of several preliminary proposals that have been forwarded. In the view of the participants, this agreement or treaty should contain an expression of the will of the citizens of both republics to continue to live in a joint federative state based on the equality of both republics. The agreement or treaty should contain the principles of the constitutional setup and the principles of the division of powers between the federation and both republics. Some legal aspects connected with the proposed agreement or treaty remain open for the moment. Participants in the meeting are determined, however, to continue to hold talks about these points of conflict. They also considered the possibility of proposing some changes in the constitution valid today that would make the functioning of the federation easier.

[Reporter] Mr. President, before the meeting you said that this is a key meeting and that you consider it to be promising. Was this the case?

[Havel] In my view it was because, as you can see from this communique, the talks so far have made marked progress. All representatives of political parties, both from the Czech and Slovak sides, have agreed on the necessity or the appropriateness of adopting such an agreement or treaty between the legislatures of the republics, and they are in general agreement regarding its content. [passage omitted] [end recording]

The political representatives should meet once again in the next two weeks, this time probably in Slovakia.

Havel Grants Weekly 'Lany' Interview

LD1205193991 Prague Domestic Service in Czech 1215 GMT 12 May 91

[Interview with President Vaclav Havel by Editor Jiri Vejvoda at Lany Castle on 11 May—recorded]

[Excerpts] [Vejvoda] Mr. President, true to the name of your regular weekly program, we again conduct this interview at Lany after some time, talking on Saturday evening. Yesterday, on 10 May, the political representatives of both our nations stayed here late. Your discussions lasted until late evening, so Saturday newspapers did not manage to report everything, which is why I would like to ask you to provide us with interesting information about yet another round of talks about our future constitution. [passage omitted]

[Havel] I think we have moved a step forward; I think that, after those weeks and months spent in talks, which were often going around in circles, we finally reached something now. Saying this, I do not say that everything is clear and ready. We reached the point when the principal forces agreed that the starting point of the federal constitution should be a certain agreement between the two representative bodies of the republics, between the Czech National Council and the Slovak National Council. So far, we have not agreed on what to call such an agreement. The Slovak side insists it be called a treaty [smlouva], while the Czech side insists it be called an agreement [dohoda].

However, a rather clear consensus, i.e. an assent, has emerged regarding the content of such an agreement. The agreement would simply outline the fundamental principles of a constitutional setup of our state, i.e. the fundamental constitutional principles concerning our state's form itself and some of its constitutional principles. It would not, of course, concern the entire constitution, our entire political system, etc. It would not be something intended to replace the federal constitution as the federal constitution must be adopted by the Federal Assembly. It is its duty, its task. This agreement would simply be a certain base; it would be the document that the federal constitution could lean on and refer to as to its starting point. [passage omitted]

Experts—both Czech and Slovak experts—were asked to immediately begin drafting its text. It seems that in two weeks they could reach a consensus on the text, and then we would have another meeting of politicians, and let us hope that they could then finally agree on the text itself. Of course, this will not be the end of the matter. The text must be discussed on the political level with all the other parties represented in the legislatures, and only afterward can it be forwarded to the republican legislatures, which must discuss it in their committees as well as at plenary sessions. Afterward, if everything goes well and all or at least the majority agree with the text—which would not necessarily be long but which would clearly formulate some fundamental thing—the repubican legislatures could conclude such an agreement. It would provide a firm base, a starting point, from which the Federal Assembly could begin its work, and it would simply make its work on the constitution much easier.

Some cornerstones of the constitution are, in fact, already here, i.e., The Document on Fundamental Rights and Freedoms, which is one of the pillars of the Constitution, was already adopted , and some other chapters, articles, or passages have already reached a rather final form, enjoying common consensus.

Nevertheless, the work on the chapters which concern our state's form itself, its constitutional setup, was not moving forward because there was no common consensus on the fundamental idea of the constitutional setup.

Perhaps I should add: One question we failed to agree on during yesterday's talks is seemingly only a question of form, but, in fact, it is a rather important question. The fact is that the National Councils can conclude whatever agreement on a constitutional setup of the federation with each other, and no law stops them from doing so. Nevertheless, so that such an agreement between them has some kind of a legal authority, that it is in some way binding and has a certain weight for the Federal Assembly, the Slovak side demands that the Federal Assembly adopt an amendment to the constitutional law on the federation for this one case—for the case of formulating the constitution—which would give the right to the National Councils to conclude such an agreement, and, at the same time, it demands that the Federal Assembly declare in some way its obligations to consider such an agreement and to lean on it when formulating and adopting the constitution. The Czech side took the view that the Federal Assembly could hardly adopt such a constitutional law as in this way it would delegate its main mission—i.e. the formulating of the new constitution—to other representative bodies, putting the right to formulate the principles in question in their hands and, thus, depriving itself of a part of its most substantial powers. The Czech side senses in this some kind of questioning of the present existence of the Federation, the present existence of the Federal Assembly as the joint representative body of all the citizens of this Republic. [passage omitted]

The Czechs probably do not understand very well the strong Slovak need for relations based on a treaty with the Czech Republic. This idea of state treaty was originally that of the Christian Democratic Movement, but it appears that this is now what a considerable proportion of the Slovak population wishes or calls for, and, in fact, all the Slovak political forces agree on that. [passage omitted]

Just as the Slovak nation feels there is now an opportunity to democratically bring to fruition the process of state awareness or state expression of its own edientity, at the same time it feels the need to attain this on the principle of genuinely equal rights and some sort of model of coexistence with the Czechs in a common state. It must not be seen as simply an expression of mistrust and disappointment; it is also an expression of the need to say—at long last clearly and freely through its legitimate bodies: Yes, we do want to live in a common state with the Czechs, but we want this embodied in some sort of document that has real legal force or that is binding. I think the Czechs should realize that, what is behind this is, in fact, a certain sense of compromise and that it is not a sign of nationalism, spearatism, and the like. It seems to me that Czech politicians are understanding this more and more clearly and that, through this agreement, the people of both republics are expressing their will to continue to live in a common state, a federative state made up of two republics, and that they wish to understand the Federation as a common cause, a joint task, a joint obligation, something that serves both its members, and that strengthens—not weakens—their status. If we were to perceive the Federation as a burden for both republics, which could flourish wonderfully but for the federation which complicates things for them, then it truly has no purpose for anyone. Its purpose lies in the fact that it strengthens the position of the state, the position of everyone, and not vice versa.

[Vejvoda] This is perhaps a naive question, Mr. President, but it seems vital to me, because I think it interests people very much: You have spoken about the agreement—or, let us say, treaty—which is in the offing. Do you have any idea when it could be signed?

[Havel] This does not depend on me, and I cannot predict it. I can only say that, in my view, this is becoming an increasing urgent matter, and it should be soon.

[Vejvoda] Mr. President, this week the future British king and his wife spent several days in the CSFR, in both our republics. As far as I know, he did not give a single interview to the press, so could you please tell our listeners something about him, his wife, and their stay in the CSFR?

[Havel] First, I would say that the visit was the subject of considerable public interest, because, after all, it is not a regular occurrence for the prince of such a famous monarchy as Britain. The people were pleased; they loved them; everyone talked about what the princess was wearing; and so on and so forth. That is all well and good, but it is not the main thing. The main thing is that they are marvelous people; the prince is a very intelligent man at the head of many important organizations; he has wide interests; he fell in love with our country, its monuments, its architecture. [passage omitted]

I would like to stress the cultural importance to us of the visit. The Prince of Wales wishes to return here soon on a private visit, which will allow them to spend more time and move more freely. This will be much more of a working visit, and we, of course, welcome this.

[Vejvoda] We cannot overlook your barely two-day but important visit to the FRG. Let me first ask about your talks with Chancellor Helmut Kohl, who said on television that relations between the two countries—the CSFR and the FRG—are at a very good level, but did not say anything specific about the treaty being drawn up between the two states. Could you be specific about this or give us any further details?

[Havel] Immediately on my return from the FRG, I apologized on television to our public for the fact that I could not speak too specifically about the treaty. The talks are very sensitive and complicated, and they would certainly not benefit from having any details made public prematurely about something which is still being played out, which is developing, which is changing. That would immediately give rise to all sorts of pressure, speculation, and conjecture. You know how sensitive this matter is both in the FRG and in our country, and, therefore, I cannot tell you anything too specific today either. Nonetheless, perhaps I could say at least one thing: Yes, our relations with the FRG have never been as good as they are now, and this is greatly in the interests of both countries. It is also true that the treaty itself is not everything; the way these relations develop depends on many other things; nonetheless, the treaty is immensely important. It is an opportunity after many decades and, in fact, centuries of confrontation, unclear relations, and friction to impart a new quality to our relations, and it is an important starting point for a new type of coexistence between our countries and our peoples.

The talks were, of course, more specific than I can say here. I have the feeling that they made progress, and I believe that there will be a treaty, that it will be concluded soon, and that it will be a good one.

[Vejvoda] Did it turn out to be beneficial that you took the prime ministers of both our republics along on the visit and to the talks, Mr. President?

[Havel] Yes, I think that was very important, and many foreign statesmen with whom I spoke, above all President von Weizsaecker, appreciated this very much, and I would even say that they were in a way relieved, because if there is something making them nervous, it is, indeed, the matter of the coexistence of our nations, our federation, the existence of an integral CSFR on the international scene. The reasons for their concern are understandable and, in their way, justified; they realize that the stability of the whole of Europe always depends to a certain extent on the stability of the CSFR, and they were considerably reassured to see both the prime ministers accompanying the president and to be able to talk to them. I think this was good politically. [passage omitted]

[Vejvoda] Mr. President, I do not recall us ever having seen so many major European politicians on the television screen together at the same time as last Thursday afternoon, when you received the Charlemagne Prize in Aachen. What were your own impressions of the ceremony at the time?

[Havel] First, I should repeat that I take this as a great honor not only for me, personally, but also for the CSFR. I, too, was surprised to see how many figures of the European political scene convened there. [passage omitted]

From all my talks and the whole atmosphere of the day I spent in Aachen, I truly felt an intensive will on the part of the European politicians to include us again in their number. This, of course, depends primarily on us, ourselves, and what we do to that end. The dictum help yourself and you will be helped always applies, and the original impetus must come from us. We overthrew the totalitarian regime even though it was in a good and advantageous international context—that is clear—and now we must be the ones to take the first steps, to draw up the first projects, to come up with our own initiatives and idea, and then we can expect a response. If we can take up the great historic opportunity we now have, then, in my view, the CSFR could really be a normal European, cultural, prospering, stabilized democracy like, say, Austria in 10 years. If it does not achieve this in 10 years, then we have only ourselves to blame. [passage omitted]

Calfa Interviewed on Israel Visit, Lany Talks

LD1005204791 Prague Federal 1 Television Network in Czech 1750 GMT 10 May 91

[Interview with Federal Prime Minister Marian Calfa by unidentified reporters at Prague's Lany Castle on 10 May—recorded; reporters' questions in Czech, Calfa's answers in Slovak]

[Excerpts] [Reporter] Mr. Prime Minister, we are at Lany Castle and it is 1430, so first I would like to ask you about your first impressions of today's meeting [of Czech, Slovak, and federal politicians at Lany Castle for another round of constitutional talks].

[Calfa] Well, the president, as a strong integrating personality and as a man who has an exceptional interest in ensuring that these constitutional matters are carried through to a successful conclusion, has convened a very representative gathering of representatives of the legislatures, governments, and the political forces represented in them. Basically, he called on us all to reach some sort of agreement, some really solid idea on how work should proceed, and the basic philosophy of drawing up the new constitutions. We would like to have these constitutions drawn up and passed in the second half of this year, so it is high time.

At this precise moment, we have divided up into political clubs and groups to discuss the possible options for progress, so it is premature to say anything at this stage. One thing is clear, however: We really ought to come up with some sort of proposal at this session that could form a mutually agreed basis for further work in all three legislatures, and all the expert groups that are drafting the constitutions.

On the actual content of the talks, only one thing can be said: We are reaching a sort of general realization that the element of an agreement [zmluvny] between the Czech and Slovak Republic in terms of coexistence should probably be present in our constitutional life, so let us hope that if we reach agreement on this then it will be a good basis for further work on the constitutions. That, then, is all I can say at this moment.

[Reporter] Your trip to Israel attracted a great deal of attention, above all because of your statement about our sale of tanks. You have already given your explanation, and yesterday a statement by a U.S. State Department spokesman was issued noting that even if the sale of tanks takes place, it would not mean that aid for Czechoslovakia is going to be restricted. Do you still want to add something to this issue? Moreover, my feeling is that your talks in Israel were pushed to the background a bit by this.

[Calfa] I would like to say that it is natural that any sale of heavy arms always provokes agitation. This case shows that it is not possible to sell such weapons without attracting the attention of the international community and without provoking reactions from all sides. This means that in future this question will always attract extraordinary attention and will provoke reaction. This is not such a simple matter as we would have imagined here.

Second, mine was not an accidental statement, and this is not an accidental action, as it has long been prepared and has been politically consulted, in our country as well as abroad. This is not a simple matter. Simply the results of those consultations were such that we decided to take this step.

Of course, I would like to say that we will really have to assess whether we can afford to repeat such a step in future. Personally, I would strongly hope that this is the last one in our history and that we do not need to repeat it anymore.

As far as the second part of your question is concerned, I met a great number of very important personalities from the financial and banking world, as well as entrepreneurs. I was received by Prime Minister Shamir, as well as by President Herzog, who will pay a state visit to our country. Naturally, we discussed a number of other bilateral questions between Czechoslovakia and Israel. For a long time our relations were really frozen, and now they are being renewed. We are extraordinarily interested in mutual economic relations and in cultural exchanges. Many of our people are living there, the Jews who emigrated from Czechoslovakia in various waves and who have a lively interest in us. There will be direct flights between our countries now. Some Jews from the Soviet Union are expected to use our country as a transit country.

This means that a wide range of various issues were touched upon. Unfortunately, all this was pushed to the background a bit under the impact of one big report, which in fact was not received with such alarm there as in our country, I would say. [passage omitted]

[Reporter] My last question—how did you receive news that after all those talks Minister Dlouhy decided not to leave for the Czech Goverment and to stay in his post of a federal minister?

[Calfa] I would like to say that Minister Dlouhy did not decide to leave the Federal Government. He informed me that he had received such an offer and he did naturally consider it, as it is an event in human life to change a post, to enter something new. There is also some difference between being active on the level of the federation and on the level of the republic. He briefed me about these talks. I was also informed by Prime Minister Pithart that he had made this offer. From this point of view everything was totally normal.

My personal view is that Minister Dlouhy should not leave the Federal Government, but it is obvious that the final decision has to be made by him. This is perhaps also the matter of some kind of political consideration. Probably talks were under way on this issue—I am not acquainted with individual details—but at the end both

he and Prime Minister Pithart told me that they had simply chosen an alternative solution regarding the Czech Government, and consequently Minister Dlouhy did not stop working in his post and continues to hold his post.

[Reporter] Thank you for your interview. As you going to travel for some time now we will meet next in two weeks' time.

Government Appoints New Deputy Finance Minister

AU1005193091 Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech 7 May 91 p 2

[CTK report: "A New CSFR Deputy Finance Minister"]

[Text] Prague—The CSFR Government Office Press Department announced yesterday that the CSFR Government has appointed—effective 6 May 1991—Engineer Jaroslav Jurecka CSFR deputy finance minister. He will operate in the privatization and capital market spheres and will also deal with property-related legal issues and support for private enterprise. Engineer Jaroslav Jurecka is a Federal Assembly deputy in the Chamber of People where he is a member of the Planning and Budget Committee. He previously worked as an independent research assistant in the Skoda Plzen Enterprise.

Israeli Envoy Protests Tank Sales to Syria

LD1005172291 Prague CTK in English 1536 GMT 10 May 91

[Text] Prague May 10 (CTK)—Israeli Ambassador to Czechoslovakia Yo'el Sher strongly protested at the Czechoslovak Foreign Ministry today against the intended sale of Czechoslovak tanks to Syria, the Israeli Embassy in Prague told CTK.

The ambassador expressed understanding for the economic and social situation in Czechoslovakia but said such a step would run counter to the intensive efforts made currently for the restoration of the peace process between the Arab states and Israel following the Persian Gulf conflict.

The ambassador expressed the hope that the pressing and serious problems of conversion of the Czechoslovak armaments industry will be settled in a way which will not harm Israel and its population.

Spokesman Interviewed on Sale of Tanks to Syria

LD1005220391 Prague Federal 1 Television Network in Slovak 2010 GMT 10 May 91

[Studio interview with Egon Lansky, spokesman of the Federal Ministry of Foreign Affairs, by unidentified reporter; date not given—live or recorded]

[Excerpts] I welcome Mr. Egon Lansky, spokesman of the Federal Ministry of Foreign Affairs, in our studio.

[Lansky] [passage omitted] [Reporter] I am going to be very specific—the question of selling arms concerns not only to Syria, but Iran is also being mentioned. Minister Baksay said two days ago that the contract with Syria has been concluded.

[Lansky] [passage omitted] I know that the Syrian contract is to involve 300 tanks. I would like to add in this context, however, that Minister Baksay was honest and truthful when he said that the contract had been concluded; I would like to say that no contract is final before the goods in question are loaded and exported. I would dare to say that it is possible to do something up until the last moment—despite the fact that it is becoming more and more difficult as time passes. [passage omitted]

The Soviet Union is also opposed to our export of tanks now. By the way, the Soviet Union not only supported it for long decades, but in fact those tanks are the tanks produced under their license, and they are well aware of it.

We wish to be good friends with Israel, the United States and with the Soviet Union. I just want to point out that the Soviet Union and the United States are the two biggest exporters of arms in the world, despite all their moralization. [passage omitted]

Klaus Addresses U.S. Economic Conference

LD1205152491 Prague CTK in English 1358 GMT 12 May 91

[Text] Princeton May 12 (CTK correspondent)—"Czechoslovakia is the only country having no problems with the conditions fixed by the International Monetary Fund as its own conditions are even stricter", Czechoslovak Finance Minister Vaclav Klaus told an economic conference held last Friday and Saturday in Princeton. Klaus thus stressed that restrictive budgetary policy is one of the main principles of Czechoslovakia's transition to market economy. Klaus delivered the opening address at the conference, attended by more than 40 top-level economic experts. Klaus told the CTK corrspondent here that such conferences, at which theoreticians meet with big capital representatives, are part of U.S. efforts to understand the latest developments in the East European countries. The minister added that these conferences provide scope to the East European countries for explaining their conditions to the American side which, in spite of its sincere efforts, still does not fully understand the situation in Eastern Europe. On Monday, Klaus continues his visit to the U.S. by official talks in Washington.

Finance Minister Klaus Opposes Free Trade Zones

AU1305085291 Prague HOSPODARSKE NOVINY in Czech 6 May 91 p 1

[Zuzana Kubatova report: "A Solution for Ostrava? Question Marks Over Duty-Free Zones"]

[Excerpts] The first duty-free zone on our territory is to be established in Ostrava. The operator and holder of a preliminary authorization from the Federal Ministry of Foreign Trade is the Free Zone Ostrava shareholding company. [passage omitted]

Engineer Miroslav Rozsypal, director of this shareholding company, told HOSPODARSKE NOVINY that the development of this zone will be determined by its ability to compete, i.e. by the extent of financial benefits granted to it by the Czech Government. Engineer Jan Prikryl, Czech deputy minister for economic strategy and development, told us, however, that extension of financial benefits going beyond the framework of the customs law has not been considered thus far. [passage omitted]

A very rational stand on the whole issue of duty-free zones is held by the Federal Ministry of Finance. Minister Vaclav Klaus told HOSPODARSKE NOVINY: "The whole idea of duty-free zones is one big misunderstanding. Quite the contrary, we must establish conditions for Czechoslovakia as a whole becoming some sort of a free-trading zone. There is no reason for putting some regions at an advantage or disadvantage. Apart from that, Czechoslovakia's customs policy as a whole must be such as to allow us to negotiate with other countries of the world, and with the countries of Europe, in particular, about a general lowering of customs duties. That means that, rather than lowering our customs duties, we must raise them to their level in Western Europe to be able to demand their reduction from our trading partners. Only when this happens can we, too, lower our customs duties. Any cut in import duties in the present situation damages our manufacturers."

Dienstbier Receives Soviet Message

LD1205212891 Prague Domestic Service in Czech 2000 GMT 12 May 91

[Text] CSFR Foreign Minister Jiri Dienstbier today received USSR Ambassdor Boris Pankin in Prague's Cernin Palace. The Soviet ambassador handed him a message from USSR Foreign Minister Aleksandr Bessmertnykh to the foreign ministers of the states participating in the CSCE conference concerning current questions of the Helsinki process.

ZDS Withdraws From Slovak Government Coalition

AU1005212591 Bratislava NARODNA OBRODA in Slovak 7 May 91 p 2

[Communique issued by the For a Democratic Slovakia movement Political Board following its first session in Bratislava on 6 May 1991]

[Text] The For a Democratic Slovakia movement [ZDS] Political Board states the following:

—Current political events in Slovakia are characterized by the fact that the Public Against Violence movement's leadership has ignored the results of the June 1990 parliamentary elections by handing over political and executive power to another political entity that has now attained a position that does not correspond to the election results.

—The Slovak National Council [SNR] Presidium—in an undemocratic manner and without holding discussions in the SNR plenum—has carried out fundamental changes in the Slovak Republic Government and has not completely comprehended fulfilling its policy statement; the SNR Presidium took such a step without discussing the reasons for its course of action with the recalled ministers.

—The majority of SNR Presidium members, and the group of deputies associated with them, have ignored—and are still ignoring—the will of the decisive part of their voters expressed in petitions, protest assemblies, and other legal forms of public protest.

—A crucial stage has just begun in concentrating power in narrow and tightly controlled groups within the structure of legislative and executive authority.

On the basis of the above-mentioned facts, the ZDS movement is withdrawing from the government coalition.

Therefore, the ZDS movement Political Board appeals to the following:

—To the SNR Presidium to step down and thus enable democracy to enter into the Slovak legislature.

—To SNR deputies to respect the will of the overwhelming majority of their voters and to reevaluate their stances by parliamentary means.

The ZDS movement Political Board expresses its gratitude to the citizens of Slovakia for their civilized, emphatic, and legal manifestations of protest against undemocratic procedures and also for their manifestations of solidarity with and support for our movement.

In Bratislava on 6 May 1991.

The For a Democratic Slovakia Movement Political Board.

Slovakia's Vavro Stresses Reform Path

LD0905212891 Bratislava Domestic Service in Slovak 1630 GMT 9 May 91

["Portion" of an interview with Anton Vavro, Slovak deputy prime minister in charge of economic reform, by (Jozef Kunik); place and date not given—recorded]

[Text] New members of the Slovak Government took up their posts this week. Many people are interested to see which way the Slovak economy develops after the departure of Jozef Kucerak, the main champion of the so-called Klaus method of economic reform, so we took the opportunity of a visit to Slovak Radio today by the new deputy prime minister responsible for economic affairs, Anton Vavro, and we now present a portion of the interview he gave to our editor (Jozef Kunik).

[Begin recording] [(Kunik)] Former Prime Minister Meciar came in for much criticism for linking the reform to social compassion, and social issues have also been accented in the last few days by, for example, the Holy Father John Paul II in his encyclical. He is head of the church, and he can hardly be suspected of being a left-winger, so what about the social impact of reform?

[Vavro] I am not a left-winger and I hold, I believe, the same view as the Holy Father in the sense that an economic reform and an economy that does not enable every citizen who wishes to do so to work and do his part for the common cause, which does not give people a decent standard of living and does not hold out any prospects, is not a good economy. So from this point of view I am just as much a social economist as those who give themselves this label, but with one single difference: You cannot speak solely about this one aspect, you cannot speak solely about the social nature of the economy. Above all we must speak about how to create the resources to enable us to have a social economy, and I would like to say one thing: The economy should be part of our society, a society that is prospering and creating possibilities for each of us to achieve fulfillment on a broad scale—that is the aim, and I would not like to to have any other nature than the one I have just stated.

[(Kunik)] You are in charge of the reform in Slovakia. Are you going to be a disciple of Klaus or Kucerak, or will you add more ideas to this new path?

[Vavro] Throughout my life I have tried not to stand under any banner—to what extent I have succeeded in this I cannot say. Do these two gentlemen have such clear-cut flags that would define some sort of direction that would exclude a whole series of other economists? I think not. At the moment I have a single objective: to pursue the path of reform. I know the problems; that is a definite advantage, and I also know of people with whom these problems can be resolved. At present I think the most important thing is this: to restore the people's trust in the tranformation process that we must undergo so they understand that what they are going through is necessary. It is the toll that must be paid for our future prosperity. At the same time, however, we must avoid extremes here, too. I am already surprised and very pleased at how the people, despite all their objections and complaints and sometimes also marked outbursts of disapproval, are very disciplined in the way they are putting up with all the hard blows falling upon them. [end recording]

ROAD Debates 11 May Unification Congress

AU1305085691 Warsaw GAZETA WYBORCZA in Polish 6 May 91 p 3

["ard"-signed report: "Before Unifying"]

[Text] The Citizens Movement-Democratic Action [ROAD] will cease to exist as an independent party when it unites with the Democratic Union and the Forum of the Democratic Right this Saturday [11 May].

At its last meeting, which was held on Sunday [5 May], ROAD's representatives to the unification congress discussed programmatic and organizational matters that will be submitted as ROAD proposals at the Democratic Union unification congress. The issue that aroused the greatest degree of controversy during the debate was the role of the church in public life.

Supporters of the formation of a faction within the Democratic Union (which included Senate Vice Marshal Zofia Kuratowska) stressed their desire to preserve an ideological identity of their own, especially on social issues.

According to Kuratowska, factions would not weaken the union, but would prevent a possible split. A faction will not have to abandon certain elements of its ideology that are not the focus of the attention of the entire party, said Kuratowska.

Wladyslaw Frasyniuk, ROAD's leader, was inclined to oppose the idea of forming factions (or, at any rate, the formation of factions before the congress actually takes place). "If we want to 'invest' in the Democratic Union, then factions will only weaken it."

Jacek Kuron said that a compromise was essential despite the differences that exist between ROAD, the Union, and the Forum of the Democratic Right. We have to show voters that we can talk to each other and reach agreement, and that is how we must be seen in the voter's mind. That will give us a better chance in the elections," said Kuron.

"Today's church is in a triumphant mood and is expansionist and intolerant. It is sycophantic to support a church of this kind, and it is not the same as supporting and defending a church of the oppressed," said Deputy Barbara Labuda.

She was also concerned that the church would control people's spiritual and personal lives and said that it would be particularly dangerous to give that control the backing of the law. However, she also indicated that if her ideological tendency is defeated at the congress, there would be no split, but Labuda told GAZETA WYBORCZA that "many people would, however, leave the Union then."

Jacek Kuron was Labuda's main opponent. He said that the struggle between the church and the anticlericalists was a struggle between two complexes. Kuron said: "On the one hand, when the church hears the term 'separation of church and state,' it remembers the times when it was discriminated against. On the other hand, the complex the anticlericalists suffer from stems from a fear of the church's involvement in politics." Kuron concluded that "both are unacceptable." He also talked about the church's important role in public life and the necessity of cooperation between the church and the state.

'Splinter' Groups Hold Unification Congress

LD1105142991 Warsaw PAP in English 1252 GMT 11 May 91

[Text] Warsaw, May 11—Three Solidarity splinter groupings: the Democratic Union, Citizens' Movement Democratic Action (ROAD) and Forum of the Democratic Right opened their unification congress in Warsaw today.

Tadeusz Mazowiecki, Poland's former prime minister and now leader of the Democratic Union, opened the congress on behalf of the three parties, appealing to some 800 delegates for respect for their different views and understanding of their common strivings.

In his programmatic address delivered to the congress Mazowiecki came out in favour of building a democratic state of law in which the citizens freedom is guaranteed and not merely tolerated.

Both Mazowiecki and leaders of the other two parties appealed to the delegates for giving priority to the weal of the country over their parties particular interests.

Mazowiecki Addresses Congress

LD1105112491 Warsaw Domestic Service in Polish 1005 GMT 11 May 91

[Report by correspondent Marian Dachniewski from the founding congress of the Democratic Union, UD, in Warsaw]

[Text] The congress opened an hour ago. An eight-man presidium was approved. Chairman of the Parliamentary Floor Group, Professor Bronislaw Geremek, was elected chairman of the congress presidium. An agenda was also adopted. The floor was then taken by UD Chairman Tadeusz Mazowiecki. The Union is being created for great sociopolitical transformations, the speaker said, out of a need to focus the nation's attention, (?for) agreement on the most important matters. We want to show open and courageous thinking so Poland may find its proper place in Europe. The most important task is to shape a new attitude toward the state; hence, the proposal of a pact for Poland. We will strive for that by our example. Promising the moon, however, is a very dangerous thing for Poland, Tadeusz Mazowiecki said. Next on the agenda is a speech by Wladyslaw Frasyniuk of ROAD [Citizens' Movement-Democratic Action]. He will be followed by the Forum

for the Democratic Right [Forum Prawicy Demokratycznej] represented by Aleksander Hall.

After the lunch break, there will be a discussion on the program.

'Pact for Poland' Adopted

LD1105211591 Warsaw Domestic Service in Polish 1600 GMT 11 May 91

[Text] In his program speech at the unification congress of the Democratic Union [UD], Tadeusz Mazowiecki today supported constructing a democratic state of law. He went on to express uneasiness over people's indifference and distrust in participating in political life. The Union, Mazowiecki added, does not intend to participate in attempts to exploit the currently difficult economic situation in an effort to attack the government.

Wladyslaw Frasyniuk, speaking in the name of the Citizens' Movement-Democratic Action [ROAD], stated that his grouping had come to the congress with its own program and would cocreate the UD because, as he stated, there is more that unites us than divides us. We see before the Union, he said, a great oportunity to bring Poland into the family of modern and democratic European states.

Aleksander Hall, speaking on behalf of the Forum of the Democratic Right [FPD], stressed that it is necessary to build wider political formations capable of meeting the demands of the difficult times.

The congress today passed the draft resolution entitled "A Pact for Poland."

[Warsaw Domestic Service in Polish at 1800 GMT on 11 May adds: "the UD unification congress has adopted a resolution on a pact for Poland. The Union is presenting the political groupings, parties, and the general public with an initiative for recognizing the following principles: There is a need for market reconstruction and economic stimulation, while the policy of budget savings and budget balancing, which serves these ends, must not be made into an object of the electoral game; the limitation or suspension of civil rights, workers' rights, or the democratic rules of the game cannot be a means for blocking justified claims and demands, nor can it be a means of resolving social problems or conflicts; initially, the state should help those regions and social groups that are most touched by the consequences of the reform; and, last, political groupings must not encourage their sympathizers to hold strikes, demonstrations, and street protests.

"The second part of the pact relates to initiating a mechanism of negotiations between the representatives of large economic interest groups, such as hired workers, workers in the budgetary sphere, farmers, private employers, and pensioners, with the participation of the government as one of the sides of the compromise. The compromise attained between the groups must specify the way in which the unavoidable costs of the market reform of the economy will be borne."]

Groups Officially Unite

LD1105211791 Warsaw TVP Television Network in Polish 2000 GMT 11 May 91

[Text] The Democratic Union has united. Before the break [at the Democratic Union congress], the fate of the unification resolution, as well as the existence of the Democratic Union, hung in the balance. The Forum of the Democratic Right was absent from the hall, since it was in the lobby discussing a list of amendments to the program. After the break, Professor Geremek called all participants of the congress into the hall, that is, 741 delegates, 645 of whom received mandates, which is 85 percent of those authorized. The voting showed that the delegates supported unification unanimously. The delegates then stood and sang the national anthem, after which Professor Geremek concluded: We have had our fun, the union has been created, and now we must get down to work.

Chairmen Appointed

LD1205210191 Warsaw TVP Television Network in Polish 1730 GMT 12 May 91

[Excerpts] On the second day of the Democratic Union [UD] Congress, the delegates adopted a resolution directed—as 10 years ago, in the case of the message of the Solidarity Congress - to the nations of Central and Eastern Europe. The message warns against the temptation to take shortcuts in the present economic situation. Such shortcuts would have to mean the casting off of democracy and a return to central control. The delegates to the congress expressed themselves in favor of preferential credits for housing construction, but the majority voted against a proposal to grant such credits for farming as well. Those gathered supported the right of workers to participate in management through representatives chosen by them, but in forms that do not undermine the prerogatives of the managements of enterprises and are in accordance with market principles. [passage omitted]

[Begin recording] [Unidentified reporter] Are you a [words indistinct] opposition?

[UD Chairman Tadeusz Mazowiecki] Yes, but only in the same sense as oppositions exist in democratic countries; that means oppositions function not to overturn the whole political scene and create a situation of destruction in the country, but rather to improve, change things. In such a sense, we are the opposition.

[Reporter] Yesterday, Wladyslaw Frasyniuk said that the government has demagoguery in common with its incompetence. Do you agree with this opinion?

[Mazowiecki] You know, I am not inclined toward such sharp statements, but this is an individual characteristic. On the other hand, in general, I feel that Poland needs a

second step in the development of economic transformations and that, up until now, the government has not presented this second step. [end recording]

Now, a piece of news we have received this very minute: Tadeusz Mazowiecki is chairman of the Democratic Union, and the deputy chairmen are Wladyslaw Frasyniuk, Aleksander Hall, and Jacek Kuron.

Unification Resolution Appendix Approved

LD1205215891 Warsaw Domestic Service in Polish 1800 GMT 12 May 91

[Excerpt] Participants in the Democratic Union Congress, held in Warsaw, have approved an appendix to the unification resolution adopted yesterday. The appendix includes a motion that a committee of trustees should be set up, the aim of which would be to tidy up, by 30 September, property, membership, and organizational matters of the groups that are affiliated with the Union. [passage omitted]

PAP Views Congress Results

LD1205213791 Warsaw PAP in English 2057 GMT 12 May 91

[Text] Warsaw, May 12—Three post-Solidarity groups: the Forum of Democratic Right, the Citizens Movement-Democratic Action "ROAD" and the Democratic Union resolved during a unification congress held here on May 11-12 to form a single party under the name of Democratic Union. The congress elected Tadeusz Mazowiecki leader of the united party and Wladyslaw Frasyniuk, Jacek Kuron and Aleksander Hall the party's deputy chairmen.

The resolution on unification, adopted unanimously, says that members of the three groups "have jointly covered the road to freedom, are united in their understanding of the essence of democracy and want to unite efforts for the benefit of Poland."

The congress also adopted a statute which envisages the possibility of forming factions which are free to express their own views which cannot, however, be in conflict with the Democratic Union's programme. The first faction, known as the liberal-social faction [ROAD] has already been formed. A faction of democratic right is being organized.

The congress came out with an initiative addressed to political parties and circles to adopt common rules of political game which could create a protective umbrella over the realization of economic reform, as well as to representatives of various groups of economic interest to start negotiations on the ways of spreading the burdens of reform. This initiative is known as a Pact for Poland.

The congress addressed a message to the nations of Central and Eastern Europe, similarly as Solidarity Congress ten years ago, in which it warned that problems connected with the restructuring of economy bring a temptation to take short cuts but this must result in the rejection of democracy.

Following his election Tadeusz Mazowiecki told journalists that the establishment of a united Democratic Union was a significant value in a country where disputes and divisions were frequent and many. Asked if there were any chances for coalition or at least agreement between the Democratic Union and the Centre Alliance in defence of Solidarity ideals, Mazowiecki replied that the climate existing in relations between the two parties had improved recently and this was the direction to be pursued.

[Warsaw Domestic Service in Polish at 2100 GMT on 12 May adds that 556 of the 601 delegates voted for Mazowiecki as chairman of the Democratic Union.]

Tyminski Addresses Party X National Congress

LD1105115791 Warsaw Domestic Service in Polish 1005 GMT 11 May 91

[Report by correspondent Marek Kassa from the Party X congress in the headquarters building of the Main Technical Organization's Main Board in Warsaw]

[Text] The first national congress of the Party X [Partia X] began at 1030. Several hundred delegates representing the party's 5,000 membership arrived for the deliberations. The discussion was opened by Stanislaw Tyminski, who said that the present Solidarity governments were built on Western money. He appealed for contributions to the party, because a lack of money could mean that it will lose in parliamentary elections and he himself is not in a position to finance the election campaign, as he did the presidential campaign.

He made a fierce attack on the press for hostility toward him and the Party X. The delegates decided to remove journalists from the deliberations. GAZETA WYBORCZA came in for particular hostility. The deliberations are continuing.

This is Marek Kassa telephoning from the headquarters of the Main Board of the Main Technical Organization, where the Party X is meeting.

Registration Resolution Passed

LD1105155191 Warsaw Domestic Service in Polish 1400 GMT 11 May 91

[Text] During [words indistinct] during the deliberations today of the First National Congress of Party X, Stanislaw Tyminski addressed a journalist from GAZETA WYBORCZA who was filling out a membership form of that group with a request for him to clarify his motives for joining the party. When the journalist refused to reply, a resolution was introduced that required all journalists who had filled in membership forms and did not want to explain themselves to leave the meeting hall. The resolution was passed by a majority of votes. These

restrictions did not apply to those representatives of the press who had declared themselves as sympathizers of Party X. As is known, only members and sympathizers of Party X were admitted to the deliberations, their data being checked on a computer list. Of outsiders, only a Japanese TV team was allowed to stay.

Congress Ends First Day

LD1105204991 Warsaw Domestic Service in Polish 2000 GMT 11 May 91

[Text] Party X is to retain its name—this was decided in one of the resolutions adopted at the end of the first day of debates by the participants of the first national congress of this group.

In another resolution, the policy of the present government was unequivocally condemned for causing a rise in inflation, recession, and unemployment, and for destroying Polish agriculture. Tomorrow the congress is to approve the statute and the program of Party X and to elect its leadership.

Balcerowicz's Impeachment Demanded

LD1105205391 Warsaw TVP Television Network in Polish 2000 GMT 11 May 91

[Text] As we discover from journalists of the Third Program of Polish Radio, the delegates to the congress of Party X have adopted a resolution in which they demand the impeachment of Deputy Prime Minister Leszek Balcerowicz before the Constitutional Tribunal for serving foreign powers. They also addressed the Supreme Control Chamber with a resolution for the examination of what is happenning to the money that has come to Poland through the Fund for the Development of Democracy and the Batory Foundation. One of the speakers protested against calling Party X a fascist party, as was done by the head of the Presidential Chancellery, Jaroslaw Kaczynski. The disclosure of security service collaborators was demanded.

Party X is like the Ten Commandments, like the 10 centuries of Poland, said one of the delegates, thereby arousing the enthusiasm of the delegates.

The Party X congress deliberated behind closed doors. It will choose the national party authorities and the chairman. It is not clear whether or not Stanislaw Tyminski will stand. Today, in his speech, he accused the Solidarity opposition of being illegally financed.

Tyminski Elected Chairman

LD1205143491 Warsaw Domestic Service in Polish 1400 GMT 12 May 91

[Text] The party program and its statute were adopted at the Party X congress. The program speaks, among other things, of support for the market economy, the need to defend homegrown industry and agriculture, a sensible pace of privatization, universal access to education, and protection of health and leisure. The election of Party X Chairman Stanislaw Tyminski met with a standing ovation. Journalists continue to be refused access to the deliberations, apart from those who have managed to disguise themselves as party supporters, and that is precisely from where our reporter's information came.

[Warsaw PAP in English at 1413 GMT on 12 May adds in a Warsaw- datelined report: Stanislaw Tyminski's Party X univocally elected Tyminski its leader on the second day of its first congress here today. Tyminski was the sole candidate for the post. The party also described its goals today, and said they comprise the country's own free market economy, expansion of national industry and farming, gradual liquidation of unemployment, and universal access to education, culture and health service. The party opts for good neighbourly relations with all the neighbouring countries and full rights and freedom for ethnic minorities."]

Party Represents 'All' Poles

LD1205211591 Warsaw TVP Television Network in Polish 1730 GMT 12 May 91

[Text] Stanislaw Tyminski, as the only candidate, has been unanimously chosen as Party X chairman. In the morning, it was decided in a vote to exclude journalists from the deliberation chamber.

Asked if he wanted to be a candidate, Stanislaw Tyminski said I do not want to, but I must. I am glad that after the congress this party will not just be my party, but a party for Poles, for us all. The program, adopted today, among other things speaks of the (?amelioration) of unemployment through cheap credits and the development of public works. Party X is in favor of introducing corrections to the agricultural reform. It demands an end to the robbery of the national wealth. It wants real alliances with neighboring states. Party X expresses itself in favor of the ideological neutrality of the state and full rights for national minorities.

[Warsaw PAP in English at 1910 GMT on 12 May adds in a Warsaw-datelined report: "During the first congress of Party X, which is continuing its debates in Warsaw, Sejm Deputy Stanislaw Bibrzycki from Oswiecim, currently member of the PKLD [Parliamentary Club of the Democratic Left] declared that he was quitting this club to represent Stanislaw Tyminski's party in the Parliament."]

Tyminski Closes Party Congress

LD1205225391 Warsaw PAP in English 2135 GMT 12 May 91

[Text] Warsaw, May 12—Stanislaw Tyminski's "X" Party univocally elected Tyminski its leader at the end of its first congress held here on May 11-12. The party also adopted its programmatic goals which cover the country's own free market economy, expansion of national industry and farming, gradual liquidation of unemployment, and universal access to education, culture and health service. The congress also adopted today the

party's statutes and elected its national representation which, apart from Tyminski, comprises his Deputy Jozef Ciurus from Koszalin and eight directors. The party has its own Sejm deputy now. During the congress Deputy Stanislaw Bibzycki from Oswiecim declared that he will leave the PKLD Parliamentary Club of the Democratic Left to represent the "X" Party in the Parliament.

Closing the debates Stanislaw Tyminski said: "We have become a real party, formed in a truly democratic way. This was an immense work which brought numerous values and we can all be proud of participating in that congress."

"After these two days nobody has the right to call us fascists or communists," he stressed.

SD Expresses 'Disappointment' With Cabinet

LD1105004391 Warsaw PAP in English 2231 GMT 10 May 91

[Text] Warsaw, May 10—The Presidium of the Supreme Council of the Democratic Party [SD], at its meeting here today, expressed "a deep disappointment with the results of the several-month-old work of Jan Krzysztof Bielecki's Cabinet."

The Democratic Party charged that instead of professional skill, pragmatism and efficiency, the government chose the materialization of political goals rather than trying to steer the economy out of the crisis. This approach resulted in the inefficiency of state administration and local self-government, incapacity of the state budget and extremely difficult situation in health service.

Members of the DP [SD] Presidium appealed to the premier that he should make members of the Cabinet aware that they are responsible for their statements in mass media. Some statements by the Minister of Justice and Prosecutor-General Wieslaw Chrzanowski, and the statement made by Deputy Minister of Health Kazimierz Kapera triggered general public protest and in longer run undermine the prestige of state authorities and the faith in the democratic tranformations in Poland, the Democratic Party charged.

Democratic Party's Liberal Faction Meets Press

LD1105190491 Warsaw Domestic Service in Polish 1700 GMT 11 May 91

["Improvised" news conference by (Tadeusz Aramszewicz), "activist" of the "liberal faction" of the Democratic Party (SD), with unidentified reporters in Warsaw; date not given—recorded]

[Text] [(Aramszewicz)] The liberal faction asserts that the factional movement commenced before the 15th congress has won acceptance in our milieus, the result of which is the creation of numerous clubs and initiative groups across the whole of Poland. Not accepting the policy of the SD authorities, the faction is functioning autonomously, (?gathering) in its ranks many members of the SD and former members of the SD and nonparty people. Point two: The representatives of the club of the faction gathered in Warsaw in the building of the Sejm of the Polish Republic accept the political declaration and also appoint the political council of the faction. Those gathered at the meeting—this is already the third point—acknowledge that it is necessary to create a joint platform, a joint political coalition, of liberal forces in Poland. The last point, the fourth: The liberal faction obliges and authorizes the political council to undertake talks, consultations, and decisions with the aim of specifying the principles and also conditions of unification and cooperation of the liberal movement in Poland.

[Reporter] Was it considered—and if so, then why was it not undertaken—to leave the SD now? Why was a political council authorized instead?

[(Aramszewicz)] There was a decision (?for) unity, and the differences of view did not correspond, and the majority acknowledged that such a step is a radical step, a decisive one, but that it then requires analysis and discussion, and above all talks that will, only after today, be capable of being held by the council that the faction chooses.

Peasant Party Faction Prepared To Enter Alliance

LD1205192791 Warsaw TVP Television Network in Polish 1730 GMT 12 May 91

[Text] The Polish Peasants' Party-Mikolajczyk faction [PSL-M] has expressed a readiness to enter an electoral coalition with the Polish Peasants' Party Solidarity, the Independent Self-Governing Trade Union of Individual Farmers Solidarity, and the former United Peasants' Party on the basis of equal partnership. If, however, in implementing this alliance there should be attempts to eliminate representatives of the party in voivodship electoral committees, the PSL-M will submit its own lists of candidates or electoral alliances will be forged with other political forces. This is declared in a resolution adopted at a meeting of the Supreme Council of the PSL-M.

Lodz Solidarity Allies With ZChN in Campaign

PM1005155791 Lodz GLOS PORANNY in Polish 29 Apr 91 pp 1-2

[Report by Marek Budzisz: "Lodz Solidarity Launches Election Campaign"]

[Text] When Marian Krzaklewski defeated his rival Lech Kaczynski in the bid for the Solidarity chairmanship, it became obvious that the idea of a grand election coalition promoted by the Center Accord [PC] would not find favor with the delegates. In the end, the question of selecting compatible election partners was left for the union's regional authorities to decide, albeit with the obvious reservation that the potential advantages of such partnerships and the similarity of election programs should be the main criteria. In any case, the new chairman is against a close alliance between Solidarity and any other political organization. In his opinion, such an alliance would mean an end

to Solidarity as an independent trade union and an organization that should aim to combine and reconcile different political positions.

On 11 April Maciej Jankowski, chairman of one of the most powerful regional Solidarity structures, the Mazowsze region (though he himself personally reserves his sympathies for the Center Accord, tracing his union lineage—as he does—to the "Wola" group, created by such currently prominent Center Accord figures as Andrzej Urbanski and Maciej Zalewski), organized and ran a conference called the the Solidarity Election Forum. During the conference representatives of the PC, the Democratic Union, Solidarity of Labor, and the Polish Socialist Party were able to present their camps' economic programs and also to answer the fundamental question facing all trade unionists: How will deputies associated with their parties represent Solidarity's interests, in addition to their own, in the future Parliament? This is a particularly vital question because trade unionists assess the current state of affairs in this area as particularly unsatisfactory. According to Krzaklewski, Sejm deputies who until now have been regularly taking advantage of Solidarity's support in Parliament, have only recently remembered—prompted by the approaching election—the need to foster closer active links with Solidarity.

However, in contrast to Warsaw and other regional centers throughout the country, the Solidarity organization in Lodz did not find it at all difficult to find an ideal partner with whom to run the election campaign. According to a statement made recently by Ryszard Czarnecki, press spokesman for the Lodz region and at the same time the WIADOMOSCI DNIA [DAILY NEWS] Warsaw correspondent, the partner in question is the Christian National Union [ZChN]. In any case there is nothing odd in this alliance, since several months ago the Lodz regional Solidarity chairman declared that of all the political parties, it was the ZChN which most fully realized the August 1980 ideals. Moreover, Andrzej Slowik announced some months ago that, should he suffer defeat in the contest for the office of Solidarity chairman, he would run as a candidate in the parliamentary election.

We can today establish with a reasonable degree of probability the basic slogans on which the newly emerging political bloc comprising the ZChN and the Solidarity Regional Lodz Board will base its election campaign. Certainly it can no longer be an appeal for a settling of accounts with the red nomenklatura, even though this slogan still enjoys popularity in PC circles. However, ZChN's links with the PAX [Christian Social Association] group as well as with the Polish Catholic-Social Union preclude the use of such a double-edged weapon in the election campaign. I believe that the main component of their campaign will be far-reaching criticism of the current and previous governments.

Conclusions drawn from the experience of the earlier, negative campaign could be still put to a good use today; moreover, it will still be possible to promote, yet again, the thesis—popular with the Lodz ZChN circles—that it is Warsaw that is to be blamed for the destruction of our city. The resolution issued by the Solidarity Lodz Regional Board, in which Lodz unionists demand that the Bielecki government announce its resignation, marks the launching of the election campaign in Lodz—a campaign that nominates a new public enemy.

Government, Solidarity Hold Talks on Privatization

AU1105172791 Warsaw PAP in English 2149 GMT 6 May 91

[Text] Warsaw, 6 May—The government-"Solidarity" talks here today concerned privatization of state-owned enterprises and the effects of the excess wages tax, said Labour and Social Policy Minister Michal Boni after the first round of talks in which journalists did not take part.

The government side described the situation in enterprises which suffered from the breakdown of exports to the Soviet Union. Over 100 such factories are in this situation now, of this number 33 aviation, telecommunications, and electro-engineering companies are in greatest jeopardy. Ten enterprises will probably be liquidated.

The armaments industry is in the most difficult situation. Reforms in the organization of national defence provides for three types of enterprises: most likely 8 state-owned armaments factories, treasury-owned companies, and private firms and companies.

The unionists acquainted themselves with the reasons for electric energy and gas price increases which are to be valid still in the second quarter. They blamed the government for failing to notify the unions about the decision and not explaining the expected effects on living costs. Minister Boni said the operation would add some 8 trillion zlotys to the state budget.

Solidarity Leader Supports 'Action' Decision

LD1105213191 Warsaw PAP in English 1838 GMT 11 May 91

[Text] Warsaw, May 11—While justifying the Solidarity National Committee's decision to call the protest action for May 22, Solidarity leader Marian Krzaklewski stressed during a session of the general meeting of the Gdansk region delegates here today that the entire round of negotiations with the government did not bring any results. "Thus one can neither accuse Solidarity of the lack of good will nor a delayed response. The government cannot be surprised as the resolution of the 3d national congress of delegates held last February obliged the National Committee to proclaim a protest action and

this should have been a warning," he stressed. Delegates from the Gdansk region demanded that the protest action should have the same form in all Poland instead of being a sum of local protests.

Farmers Solidarity Warns of 'Critical' Situation

LD1105223291 Warsaw PAP in English 2011 GMT 11 May 91

[Text] Warsaw, May 11—The National Council of Private Farmers' Solidarity Trade Union meeting in Magdalenka, outside Warsaw today demanded from the government immediate anticrisis steps in agriculture, including efficient interventionist procurement of livestock, grain and some dairy products at negotiated prices.

The Council warned that in case those demands are not met, farmers will be forced to settle their financial obligations toward the state in kind.

In a resolution, the Council said that the situation in Poland is becoming critical. The deepening recession embraces more and more sectors of the economy, including agriculture. High inflation, threat of bankruptcies, growing unemployment are signs of an intensifying economic crisis, reads the document. In the opinion of the union, those phenomena cause a deep social crisis and the growing of a dangerous conflict.

The Council called on the Sejm and Senate to suspend current day-to-day work in order to hold an extraordinary debate on the state of the country. It is necessary to work out a new strategy for the coming out of the crisis and a new approach toward the solving of Poland's problems, the Council said.

The National Council expects that the Polish president, understanding the feeling of disappointment and bitterness of the rural people, will contribute to the restoration of dialogue between society and authorities, reads the resolution.

The Council approved the joint declaration on unity of action of the Farmers' Solidarity Union, the Polish Peasant Party and the Polish Peasant Party—Solidarity. The Council expressed the view that deputies and senators elected to the next Parliament from the peasants' unity list, through unified and strong representation, will have decisive influence on the state's economic and social policy.

In a separate resolution, adopted in connection with the forthcoming visit to Poland by Pope John Paul II (June 1-9), the Council announced that the union suspends disputes and protests to the end of the visit.

Center Accord Resolution Addresses Reform

LD1205225191 Warsaw PAP in English 2034 GMT 12 May 91

[Text] Warsaw, May 12—The Chief Political Council of the Centre Alliance [Center Accord] adopted today a resolution "On Repairing the Republic" which warns against threats to Polish reforms and formulates what, according to the organization, is the basis of counteracting the threats. The disintegrating and discredited Sejm is no longer able of carrying on legislative works and it only acts as a conservative force hindering reforms. The government is suspended in a vacuum. President's office, created in another epoch, is devoid of real powers. Political crisis spreads over larger and larger areas of our state making it impossible to reconstruct institutions of great importance for Poland, reads the document. Stating that Poland is threatened with disorder, chaos and plundering of public property, the Centre Alliance expresses willingness to undertake the work of reforming the Republic which should become a fully sovereign and just state. Standing face to face with its electorate the Centre Alliance presents in the resolution its aims and programmatic assumptions. The primary matter is Polish reason of state. We consider it impossible to secure wealth, freedom or justice for citizens unless the state authority is strengthened, the Centre Alliance underlines in the resolution.

[Warsaw Domestic Service in Polish at 2100 GMT on 12 May adds: "At a news conference today, representatives of the leadership of the Center Accord stated that, after the elections, they are ready to take responsibility for creating a government of breakthrough and repair of the Republic in the next Parliament. Such a government will not be a continuation of the reality of the situation of transition and, all the more, of the remains of the Polish People's Republic. There is no so-called third road between communism and democracy, it was stated. The return to the road of normality is our opportunity."]

Sejm Passes Electoral Laws, Debates Issues

LD1005233891 Warsaw Domestic Service in Polish 2200 GMT 10 May 91

[Text] The Sejm has passed the Electoral Law to the Sejm of the Polish Republic in the version proposed by the Constitutional Commission, together with amendments from the reporting deputy of the commission and amendments passed by the deputies in the chamber. Voting for the law were 249 deputies; 40 were against the law and 22 abstained from voting. The Sejm also passed the Electoral Law to the Senate of the Polish Republic in the first version.

Deputies also continued the debate on the ecological policy of the state. Two resolutions were passed—one of them stressed that the Sejm expects a packet of new laws associated with environmental protection. In the second it was noted that the ecological policy of the state ought to take into account the need to complete legislative

work on the packet of ecological laws, together with executive decrees gradually making the producer bear the costs of environmental damage.

The deputies refused to note the government report presented by the under secretary of state in the office of the Council of Ministers, Piotr Kownacki, on the financial condition of day-care centers and nursery schools. Some of the statistical data on closed nurseries were questioned.

In a passed resolution, the Sejm obliged the government to present by 25 May a program of immediate activities and systemic changes in the state sector of agriculture, including concepts for legislative solutions relating to its restructuring and ownership transformations.

Ministry Reports Ecological Cost of Soviet Bases

LD1005112291 Warsaw PAP in English 1008 GMT 10 May 91

[Text] Warsaw, May 10—Poland needs some 20 trillion zloty (about 2 billion dollars) to neutralize soil contamination caused by Soviet troops stationing in Poland, according to a report of the Ministry of Environmental Protection and Natural Resources.

Ecological losses caused by the Soviet troops in forests are estimated at some 10 trillion zloty (about 1 billion dollars), while the refurbishment of buildings taken over from the Soviet Army will cost about 1.5 trillion zloty (some 150 million dollars).

Soviet troops are now stationing in 35 garrisons in 15 Polish provinces. They have been temporarily using 70,000 hectares (including 35,000 hectares of forests) free of rent. Units of the Northern Group lease more than 1,000 buildings and more than 2,400 garrison buildings paying only a 50-per-cent rent.

Warsaw Reports New World Bank Credits

LD1205181291 Warsaw TVP Television Network in Polish 1730 GMT 12 May 91

[Text] The new credits granted to Poland by the World Bank for restructuring and privatization amount to $140 million. Priority in obtaining credit will be given to enterprises in regions particularly threatened by unemployment, such as Lodz and Walbrzych, or to those suffering particularly severely as a result of the breakdown of exports, for example to the USSR.

More Details on Credits

LD1205201991 Warsaw PAP in English 1830 GMT 12 May 91

[By PAP correspondent Ryszard Piekarowicz]

[Text] Washington, May 12—Under an initial agreement reached on Saturday the World Bank is to grant Poland a 280-million-dollar restructuring and privatization loan. Out of this sum 140 million dollars will be destined for credits to be granted to enterprises operating in those regions of Poland where unemployment is especially high or to industrial plants hit hard by the loss of export outlets, for instance in the USSR. The remaining 140 million will be used for technical assistance in privatization processes (65 million USD), for budget imports (25 million USD) and realization of a programme to reduce Poland's debts owed to commercial banks (50 million USD). To obtain the new credit Poland has to present to the World Bank a feasible plan to step up privatization, which, according to the industry and Privatization Ministry officials, is to take place shortly. Thus Poland can expect to obtain part of the credit already in the next 2-3 months. 280 million dollars for restructuring and privatization is only one of the four World Bank loans that were being negotiated by Poland's representatives in Washington last week. The remaining three loans are to be allocated for modernization of financial system (180 mln USD), power industry (340 million USD) and investments in agriculture (100 million USD). The total value of the four loans is to amount to about 900 million dollars. Negotiations to agree the exact volume of credit to be destined for modernization of Poland's financial system are to be concluded here on Monday.

Nastase: 'New Chapter' in British Relations

AU1105191891 Bucharest ROMPRES in English 1843 GMT 11 May 91

[Text] Bucharest, ROMPRES, 11/5/1991—Saturday [11 May] evening Romanian Foreign Minister Adrian Nastase returned from a four-day official visit he paid to Great Britain.

In a statement made to the press on his arrival at the Otopeni Airpor the Romanian minister stressed inter alia that the balance-sheet of his visit to London was important, first of all from a political point of view, assessing that the visit marked the beginning of a new chapter in the Romanian-British relations.

After making a presentation of the numerous interviews, talks, contacts he had in the British capital city, Mr. Adrian Nastase noted, as one of the highly important achievements, Romania's inclusion into the Know-How Fund.

We will have to use these funds for priority domains, Mr. Nastase stressed, taking into account also the British experience in domains like banking, management, privatisation, stimulation of small enterprises. As we manage to advance interesting, credible projects, the Know-How Fund for Romania will expand, Mr. Nastase emphasized. I think that it lies with us to use as intelligently as possible the international assistance formulas, both financial and in point of technology.

In another string of ideas, Mr. Nastase showed that during his visit to London he noted no reticence in the relations with Romania. On the contrary, he said, I think that there is an openness which will have effects not only on a political but also on an economic plane. This openness is a particularly important moment whose effect we will feel in the future, certainly, to the extent to which our offers for cooperation will be interesting for the British businessmen.

This visit will be followed by other contacts and steps, such as scientific exchanges, visits by personalities, consultations at the level of foreign ministries, Mr. Nastase said. By means of such actions we therefore try to restore a network of relations at a non-government level to add to the system of political relations. This means a greater political commitment, Minister Adrian Nastase said in conclusion.

Roman Makes Statement on Stage of Reform

AU1005185991 Bucharest ROMPRES in English 1834 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—The reform has entered a straight path, stated Premier Petre Roman in an televised interview on Friday evening during the "Guest of the Week" programme.

Speaking about the necessity to speed up the pace of reform, the premier said that the problem was not the reform proper but its implementation.

In his opinion things differ from this point of view. Many enterprises belonging to final stages of the manufacturing chain have reoriented their production and are visibly progressing, while in the basic industry the shortage of raw materials and blockings accumulated owing to the situation we inherited still persist.

The prime minister announced that the government had worked out a formula to break the deadlocks which should yield good results and which could be amended.

Many enterprises can be turned profitable through well-thought reequipment projects, which needs money while the banks no longer have hard currency reserves, the premier said inter alia describing the situation as a bottleneck. In this situation the sources depend on foreign credits which come in gradually. What is important now is that we have a credible economic programme for both the economic agents and the creditors.

Even if the pace in which laws are passed seems slow it is extraordinary, he also said arguing his assessment with the fact that over 60 of the about 100 laws of the reform had already been adopted.

What has to be done is to submit concise texts which should contain the principles, their application being the responsibility of the executive.

The premier announced that the privatization law, too important to be advanced in a rough form, as it must be stimulative and equally protective, is in a final drafting stage, expressing his agreement with opinions voiced by both political parties and experts that it was on that normative act that the success of the reform depended to a large extent.

The premier also said that the government received with greatest seriousness the alternative programmes of reform and that it would use some of their elements.

Political Parties Denounce Eger Meeting

AU0905145991 Bucharest ROMPRES in English 1342 GMT 9 May 91

[Text] Bucharest, ROMPRES, 8/5/1991—Political parties and newspapers continue to take position on the "scientific symposium" held in mid-April at Eger, Hungary, on "The Present and the Future of Transylvania".

"The non-governmental character of the Eger gathering notwithstanding, some of the statements there cannot be overlooked because the people who made them lacked all sense of responsibility, for they were not only a pack of non-truths but also a serious political error," says the National Liberal Party [PNL].

Stressing that the rights of the Romanian people are sanctioned by international treaties, any discussion on

the autonomy of Transylvania or any form of federalization of Romania would be against the European order and the good relations between the countries in this area, the PNL "will always support the inalienable rights of the Romanian people and state, and at the same time back the idea of a truly united Europe where such conflict-prone or provocative assertions as were made at Eger are not possible".

Last night a roundtable discussion on this theme on Romanian Television brought together three historians Dr. Virgil Candea, corresponding member of the Romanian Academy, Dr. Ion Dumitriu-Snagov, and Professor Raoul Sorban. They stressed how "surprised Romanian public opinion and historians are to see the revival, at the close of the 20th century, of a theory the scientific community stated its opinion on a long time ago", and their dismay at Horthyist theses taken up at Eger. They also that "the documents on Transylvania in Budapest archives" be returned in agreement with the provisions of the Treaty of Trianon.

The Socialist Party of Labor denounces in a statement the meeting at Eger which is apt to "maintain tension and divisions" and says it believes that "just as they lived together for centuries, the Romanians and the Hungarians, all ethnic groups across Romania will find the way to understanding within a free and independent national Romanian state".

'Traditional' Social Democratic Party Formed

AU1005144091 Bucharest ROMPRES in English 0845 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—"The Traditional Social Democratic Party," presided by Lucian Cornescu, is the eighth party claiming social-democratic beliefs. Numbering for the moment only 297 members, the new party intends, according to its president's statement, to cooperate with the main political parties, if they share similar ideas, suitable for practical application. The new party's leader is optimistically expecting that in a couple of months the membership should rise to over 20,000, considering that the Traditional Social Democratic Party gives the trade unions the opportunity to advance political solutions, without involving themselves in the political life.

Besides the Romanian Social Democratic Party (PSD), led by Sergiu Cunescu, member of parliament, a "Cojocaru Party" was formed in Romania, also temporarily called the "Democratic Party," registered on 7 May 1991. A splinter group of the National Salvation Front (FSN) obtained official recognition as the "Social-Democratic FSN" on 30 April 1991. Other political organisations of social democratic leaning are: the Romanian Christian Social Democratic Party, the Democratic Party of Labour, the Independent Social Democratic Party and the Socialist Party of Labour.

Associations Oppose Holding UDMR Congress

AU1105162191 Bucharest ROMPRES in English 1437 GMT 11 May 91

[Text] Bucharest, ROMPRES, 11/5/1991—The Association of War Veterans, the Mures Branch, the "Avram Iancu" Association of the Reserve and Retired Military and the Union of Refugees from North-Western Transylvania based in Tirgu Mures asked in a joint statement the relevant bodies of the Mures County not to authorize the holding of the forthcoming congress of the Hungarian Democratic Union of Romania [UDMR] in Tirgu Mures.

The statement assesses that the presence in the town of Bishop Laszlo Tokes "causes unexpected reactions from the Romanian population in Mures County." Mentioned in the same context are Karoly Kiraly, Geza Domokos, Andras Suto, Elod Kincses accused of having caused much harm to the Romanian people lately. Justice should hold those who committed various acts against the Romanian population in Transylvania responsible for their deeds, the statement stresses.

Iliescu Defends Treaty With USSR

AU1005192891 Bucharest ROMPRES in English 1829 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—The Symphony Orchestra of the National Radio and Television in Chisinau [Kishinev] now touring Bucharest was received at the Cotroceni Palace on Friday by President Ion Iliescu.

Approach was made of the common destiny of the Romanians on both banks of the Prut, of the intensification of the cultural relations between Romania and the Republic of Moldova. Reference was made to President Mircea Snegur's visit to Bucharest as well as to Mr. Iliescu's possible visit to Chisinau which might be connected with the conclusion of a bilateral agreement between Romania and the Republic of Moldova. "Unfortunately," President Iliescu said, "there are people distorting reality both in your country and in our country, who do not understand the recent signing of the treaty between Romania and the USSR, who interpret it as a treason by Romania of Bessarabia's and Bukovina's interests." Ion Iliescu underscored: "The treaty is a very important political document which serves our interests. We want to have good relations with the USSR. We have no interest to introduce adversity notes." He emphasised that, had this treaty been not signed, the old one would have remained in force which was unacceptable.

Extremists, President Iliescu underscored, do not serve the national cause; on the contrary, stressing the state of tension and misunderstandings, they harm the national interests. If Romanians have survived on these territories and they are an island of Latinity in Eastern Europe, President Iliescu reminded, is because the people had great wisdom and succeeded to resist, owing to their

solid culture, to their strong ties with the land, adapting themselves to the historical events.

Army on Alert, Response to SFRY Situation

LD1005223391 Belgrade TANJUG in English 2112 GMT 10 May 91

[Text] Bucharest, May 10 (TANJUG)—Romanian Defence Minister Major General Constantin Nicolae Spiroiu said today that the Romanian Army had stepped up the level of alert because of the situation in Yugoslavia.

In a statement to the ADEVARUL daily, General Spirouu said that the stability of the neighbouring countries was very important for Romania.

According to General Spiroiu, the situation in Yugoslavia is unstable and it is natural that the Romanian Army be put on alert. Some measures to that effect have already been taken, he added.

The Romanian defence minister also said that it is in Romania's interest that the situation in Yugoslavia remain stable and that it (Romania) does not want to interfere in any way in the manner in which Yugoslavia, as a federal state, is dealing with its problems, which also include "inter-ethnic conflicts and existing aspirations".

In his opinion, the instability in Yugoslavia may undoubtedly create serious problems in the Balkans.

Romania has no territorial aspirations, said Spiroiu, and added that he had met with the Bulgarian defence minister who told him that Bulgaria too has no territorial aspirations and shared his opinion that "at this moment, instability in the Balkans may provoke undesired conflict situations".

Economic, Trade Cooperation Meeting With Moldova

AU1105144391 Bucharest ROMPRES in English 1130 GMT 11 May 91

[Text] Bucharest, ROMPRES, 11/5/1991—An expert meeting was held recently in Chisinau [Kishinev] in preparation for an agreement of economic collaboration and trade exchanges between the Governments of Romania and of the Republic of Moldova.

The agreement stipulates that the two governments will promote economic ties in all domains of mutual interest, helping trade partners in Romania and in the Republic of Moldova extend their cooperation in production, commercial exchanges, creation of organizations, enterprises and joint ventures, for capital investment of both parts, as well as jointly with other firms. A Joint Government Commission for Trade and Economic Collaboration is being considered, the tasks of which are to be established under a separate agreement.

'Open Skies' Agreement With Hungary Signed

AU1105162291 Bucharest ROMPRES in English 1429 GMT 11 May 91

[Text] Teodor Melescanu, secretary of state at Romania's Foreign Affairs Ministry, and Ferenc Somogy, secretary at Hungary's Foreign Affairs Ministry, signed Saturday [11 May] in Bucharest, an "Open Skies" agreement between the governments of Romania and Hungary.

The agreement, the first of its kind in Europe and an instrument of cooperation between Romania and Hungary, sets the terms for each side's four yearly three-hour or 1,200 km observation flights by aircraft carrying no weapons and similarly equipped.

The signature ceremony was attended by Lieutenant General Horia Opruta, commander of the Romanian Air Forces, and by Major General Janos Deak, under secretary of state at the Hungarian Defense Ministry and Major General Janos Urban, commander of the Armed Forces of the Republic of Hungary.

The Bucharest ambassador of the Republic of Hungary was present.

The documents were exchanged after the signature and brief addresses were made.

Ferenc Somogy said the document that was signed was a step unprecedented in the history of bilateral agreements to confidence-building measures. The open skies system is twice beneficial, he said: firstly, it is an important step toward developing the relations between our two countries, and hopefully a contribution to better Hungarian-Romanian relations. Secondly, its scope extends beyond the bilateral relationship. In our opinion, the open skies system helps build up confidence and greater security in Europe, which is our ultimate common end. We all share an interest in a favorable international atmosphere in order to cope with the problems that each country has, Mr. Somogy stressed.

By a happy coincidence, Teodor Melescanu said for his part, the open skies agreement that we signed comes two years tomorrow after President George Bush launched his initiative for Europe, resuming Eisenhower's earlier idea. The document is not only a contribution to mutual confidence-building and greater security, but also a world first that may set the stage for other states to follow. The agreement is a first step that Romania's Foreign Ministry takes jointly with the Foreign Ministry of the Republic of Hungary toward better, closer relations between the two countries, Mr. Melescanu said in conclusion.

Sentences Passed on Former Securitate Generals

AU1005191891 Bucharest ROMPRES in English 1624 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—By sentence No. 2 of May 10, 1991, the Military Section of the

Supreme Court passed judgment on defendants Tudor Postelnicu (five years imprisonment plus one additional year), Iulian Vlad and Gianu Bucurescu (four years imprisonment), Gheorghe Danescu (three years and six months imprisonment), Gheorghe Vasile (three years imprisonment, pardoned), Gheorghe Goran (two years and six months imprisonment, pardoned), Marin Barbulescu (five years imprisonment and military degradation). The court had found them guilty of illegal deprivation of freedom.

For defendants Mircea Virban and Aurel Borcan the accusation of illegal deprivation of freedom was changed to illegal arrest. Thus Mircea Virban was sentenced to three years imprisonment and Aurel Borcan to two years and six months imprisonment, suspended.

Defendants Marin Pirvulescu and Ion Guresoaie were sentenced to three years imprisonment each, having been found guilty of abusive investigations.

Stefan Gheorghe was found guilty of the same charges and sentenced in absentia to three years and six months imprisonment.

The court ruled that all defendants were to be kept under arrest, except Gheorghe Vasile and Gheorghe Goran who had been pardoned.

Both the defendants and the Prosecutor's Office have the right to appeal within ten days.

Spiroiu: Army Serves the 'Country's Defense'

AU1005162991 Bucharest ROMPRES in English 1321 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—"The Army is one; it does not serve the interests of a political party, a certain government, a president or a king, but only the interests of the country's defence," Major-General Constantin Nicolae Spiroiu, the new Romanian minister of defence said in an interview with the daily "ADEVARUL," and added he asked the Commission for Defence, Public Order and Security of the Constituent Assembly that the Romanian Army should be granted this status of principle.

As for the military doctrine proper, based on the principle of the war of the whole people, the minister specified it was not supposed to change essentially, but only the way it is applied. "We have," he said, "national guards that we want to be subordinated to Army command."

As for the outlook according to which, the military doctrine is shaped in keeping with the country's foreign policy, Minister Constantin Niculae Spiroiu mentioned: "As long as our policy is a policy of peace, of recognizing treaties, of having no territorial claims, it is natural to have a defensive military doctrine."

Asked about the way the Army is equipped, the minister said it is faced with many difficulties in what bedding, supply social protection and technical modernization are concerned. He mentioned that although the Army still had very old equipment, efforts had been made and would continue to be made for buying high-tech. "We have made long-term programs, contacts with firms from all over the world, especially from Western Europe, from which we intend to buy high-tech," said General Spiroiu.

In another line of thought, the Romanian minister of defence said that the present instability in the Balkans could cause undesirable conflicting situations. "The instability in Yugoslavia" he added, "can be a source of serious trouble in the Balkans, in spite of the processes that took place in Eastern Europe, in spite of the fact that neither us nor the Bulgarians have territorial claims. It is very important (for every country) that its neighbours should be in a stable condition. Under such conditions of instability, it is normal for Romania's Army to be somehow on the alert, to be cautious, and that is why measures have been taken."

Antigovernment Rally in Bucharest on Monarchy Day

AU1005161491 Bucharest ROMPRES in English 1614 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—10 May has for Romania a twofold significance, being connected to events that have marked this country's strive for independence and sovereignty.

The first of them is the political moment of 1866 when Prince Carol I of Hohenzollern Sigmaringen (from the German nobility) was sworn in as Voivode of Romania, after a plebiscite held one month before had been favourable to him by 685,000 votes for and 224,000 against). He was brought to rule Romania after the 10/11 February coup that forced Prince Alexandru Ioan Cuza, the Romanian ruler under whose sceptre two of the Romanian principalities had united in 1959, to leave the country.

The decision of the then Romanian politicians to instate at the helm of Romania a foreign prince from a country far beyond its boundaries might be inferred as a possible interference of the great European powers in Romania's internal affairs. Prince Carol I led the Romanian Army in the war against the Ottoman Empire (1877-1878) and, in the battle of Plevna he even had the supreme joint command of the Romanian and Russian Armies. During his reign, therefore, Romania proclaimed its state independence (9 May 1877).

The second event is the coronation of Carol I as King of Romania.

The monarchic rule gave Romania four kings: Carol I (1866-1914), Ferdinand I (1914-1927), Mihai I (1927-1930, regency period), Carol II (1930-1940), Mihai I (1940-1947).

The last in the series, Mihai I, whose abdication (1947) was followed by the communist dictatorship, lives in Switzerland. Some opposition parties in Romania consider that his reenthronement would be a solution to pull the country out of the present economic and political crisis. In support of their beliefs, the Liberal Monarchist Party plans, as a matter of fact, a meeting in Bucharest today.

The preliminary draft of the future constitution of Romania, under debates in the Constituent Assembly, provides for a presidential republic. Being such a sensitive issue of the Romanian political life, the form of government in Romania will be decided by a referendum, as stated by Premier Petre Roman at a press conference during his recent visit to the United States.

On Friday at 1630 hours a meeting organised by the Liberal Monarchist Party began in the Revolution Square in Bucharest being attended by about 1,500 persons. Although the organisers insistently appealed not to alter the sense of that meeting, antipresidential and anticommunist slogans were shouted. The royal anthem was then sung. Mr. Mihai Zamfir, member in the organisation committee, underscored that today marked 125 years since the instauration of Hohenzollern monarchy in our country, which the monarchist party considered as Romania's national day.

Pro-Monarchy Rallies in Bucharest, Other Cities

AU1005192791 Bucharest ROMPRES in English 1900 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—One hour after the pro-monarchist meeting had started in Bucharest's Revolution Square, a few thousand persons young and old were listening to the speakers who came one after another to the microphone. CADA's [Action Committee for the Democratization of the Army] representative was among them, who supported, like all previous speakers, the necessity of a lawful reinstatement of monarchy in Romania, in order to end the struggle for power. The speaker paid homage to such personalities of the Romanian people's history as I.C. Bratianu, Maniu, Antonescu, and to the December 1989 revolution heroes. Participants sang the national anthem "Awake, Romanians." Speeches are underlined by pro-monarchist, anti-presidential and anti-governmental slogans.

At about 1900 hours, the rally organized in the Revolution Square of Bucharest on Friday by the Liberal Monarchist Party ended with the message ex-King Mihai addressed to the Romanian people.

The rally proceeded in order, no incidents being registered.

About 150 persons took part on Friday afternoon in a meeting devoted to the day of May 10, staged in Iasi's Union Square by the Liberal Monarchist Party of Romania in collaboration with "Agora" Society, the Civic Alliance, the National Peasant Party [PNT-cd] and the National Liberal Party [PNL]. Participants shouted anti-governmental slogans.

Similar rallies and marches were also staged at Cluj Napoca and Ploiesti.

Organized under the aegis of the local branches of the PNT-cd (Youth), the PNL (Youth), the Free Monarchist Party of Romania, the Conservative Monarchist Party, the Association of the Former Political Detainees, the World Union of Free Romanians and other groups, the rally in Cluj Napoca gathered about 1,000 people. Mrs. Doina Cornea read the message ex-King Mihai addressed to the Romanian people in May 10, 1991. The royal anthem was sang and antipresidential, antigovernment, anti-FSN [National Salvation Front] and pro-monarchy slogans were chanted.

The march and rally in Ploiesti had not been authorized, it was specified.

'Vatra Romaneasca' Conference Held in Cluj

AU1205184491 Bucharest ROMPRES in English 1628 GMT 12 May 91

[Text] Bucharest, ROMPRES, 13/5/1991—Cluj-Napoca played host to the second all-country "Vatra Romaneasca" union conference, on 11 May.

Called in compliance with the resolution of the first all-country conference at Tirgu Mures, on 4-6 May 1991, it was attended by Bucharest city and county delegates, members of the National Steering Committee of the "Vatra Romaneasca" youth, the Steering Committee Bureau of the Union's Mures branch, a delegation of the founder members, and other guests.

The conference discussed the union's activity, set the programme and the aims of its future work, and amended its statutes.

The Steering Committee was elected by secret ballot by delegates who also decided on the membership of the "Vatra Romaneasca" union's National Council. The chairman of the Steering Committee will be elected in its first meeting.

A text from the National Steering Committee handed over to the ROMPRES local correspondent at a news conference Sunday [12 May] says that the union, in compliance with its statutes, is a social-cultural and civic position organisation whose programme and activity serve no political party. The union's members "may have political beliefs of their own, but they shall not engage in propaganda for any political party within the organisation". "They are advised to spread our union's noble ideas in the ranks of the parties whose members they are. "Vatra Romaneasca" union's position is equidistant with respect to all political parties".

Accusations on Embassies' Activity Rejected

AU1005152091 Bucharest ROMPRES in English 2324 GMT 9 May 91

[Text] Bucharest ROMPRES, 9/5/1991—Referring to the article published by daily "ROMANIA LIBERA" under the headline "Some of Our Embassies' Dealings," Teodor Melescanu, secretary of state at the Ministry of Foreign Affairs, made the following remarks during his weekly news conference:

Following the General Assembly of the Romanian Academy over March, 8-9, 1991, when new honorary members and corresponding members of that Romanian scientific forum were elected, the Ministry of Foreign Affairs, based on public data, sent to the diplomatic missions the list of Romanian personalities or of personalities of Romanian origin who had been elected. By the same document the heads of diplomatic missions were asked to "study the possibility to meet them in order to present their congratulations and evaluate the possibility of their collaboration with scientific institutions of the country." We underline that the notification sent by the Ministry of Foreign Affairs contained no element other than mentioned here.

Subsequently, our embassy in Paris handed a congratulatory letter to sculptor Ion Vlad and a general conversation followed, touching also on the great sculptor's relations with his country in view of the organization of an exhibition in Bucharest.

In our opinion, such gestures, both in connection with Ion Vlad and with other Romanian artists and scientists living abroad, sprang from one of the fundamental duties of our state: to reintegrate those names in Romanian culture. Those are great artists and scientists whose works were systematically ignored and boycotted by the past regime, who are famous throughout the world but hardly known in their own country.

We are sorry that such initiatives of the Romanian Government to resume relations with outstanding personalities of the Romanian emigration may be termed, groundlessly and in ill-will, as "models of the old practice of intruding upon human souls and consciences," the Foreign Ministry spokesman concluded.

Private TV Stations To Be Legalized

AU1005144891 Bucharest ROMPRES in English 0903 GMT 10 May 91

[Text] Bucharest ROMPRES, 10/5/1991—... Says I.V. Sandulescu, National Liberal Party [PNL] senator and president of the Culture, Art and Information Commission in an interview with a reporter of TINERETUL LIBER newspaper, highlighting as well that "the private TV stations' programmes are to observe some fundamental principles, but the freedom of expression will be guaranteed."

Announcing the definitive form of the law of audio-visual that is to enter soon in special parliamentary commissions, I.V. Sandulescu stresses that according to this law "the official channel of the television will be channel one and channel two is to become a private one."

"We suggested to Prime Minister Roman that radio and television be patronaged by Parliament, as it was, in a certain way, since December 1989. Mr. Roman approved this alteration of the draft law," said Mr. Sandulescu.

Mr. Sandulescu also declared against the creation of a press law, noting that "an addition to the criminal code must be operated to ensure the need of balancing the excess made in the press by those who use slander, abuse and personal offences."

Federal Chamber Views Situation

LD1005164691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1525 GMT 10 May 91

[Text] Belgrade, 10 May (TANJUG)—Following a two-day debate, the SFRY Assembly's Federal Chamber today adopted the following set of conclusions on the current political and security situation in the country:

1. The Federal Chamber endorses the assessments, standpoints, and conclusions of the SFRY Presidency as outlined in a report by the president of the SFRY Presidency on the current political and security situation in the country and measures for overcoming the crisis.

The Federal Chamber judges that the SFRY Presidency's measures and activities to find a long-term solution for intranational and inter-republic conflicts, as well as the Federal Executive Council's [FEC] standpoints on the current political and security situation in the country and especially in the Republic of Croatia, are of particular importance for defusing the political and security situation in the country and for creating conditions conducive to a peaceful and democratic way of overcoming the crisis and reaching an agreement on the country's future system.

2. The Federal Chamber instructs all services in the federation to immediately and resolutely embark on implementing the SFRY Presidency's program of measures and activities, to find a long-term solution for interethnic and inter-republic conflicts as a way of avoiding possible catastrophic consequences likely to affect all citizens, all nations and nationalities, and the country as a whole.

The Federal Chamber calls on the assemblies of the republics and the autonomous provinces to allow consistent implementation of the SFRY Presidency's program of measures and activities, to find a long-term solution for intra-national and inter-republic conflicts and of the FEC's standpoints.

The Federal Chamber insists on an immediate end to armed conflicts and violence; on the demobilization of reserve police and militia forces; on immediate action to seize weapons from citizens; on a thorough investigation, under the control of competent bodies, into recent armed conflicts and human casualties and material damage; and on sentences to be meted out, in line with the law, on protagonists in these conflicts.

3. The Federal Chamber emphasizes that the Yugoslav people's Army [JNA], as the armed force of all the nations and nationalities in Yugoslavia, should continue to carry out its functions in line with the SFRY constitution and federal laws and should take part in efforts to prevent intranational clashes.

The Federal Chamber condemns all attacks on the JNA, its members, facilities and equipment, and calls for conditions to be insured to enable it to exercise its constitutional role.

4. The Federal Chamber notes that it is necessary, on the entire territory of the SFRY to ensure the legal safety of citizens, to fully recognize the human rights and liberties of all nations and nationalities, as well as to protect the lives and property of citizens and the functioning of the legitimate system in republics and the country as a whole.

The Federal Chamber authorizes the FEC to ensure—in cooperation with the competent authorities in republics and autonomous provinces—the functioning of the legal system and the protection of freedom, personal and material security, and the rights of all citizens.

5. The Federal Chamber demands that all newly-arisen problems in the country be resolved in a peaceful and democratic way, while making sure that no acts are passed that would one-sidedly change the relations established by the SFRY Constitution, until a final agreement is reached on the regulation of relations in the Yugoslav community.

6. The Federal Chamber concludes that it is necessary that the SFRY Assembly and its chambers establish more direct cooperation with the republican and provincial assemblies, with the aim of implementing the conclusions of the Federal Chamber and the program of measures and activities of the SFRY Presidency, so as to find a long-term solution for the intranational and inter-republic conflicts, and also to implement the FEC standpoint with regard to the current political and security situation in the country.

Proceeding from the constitutional responsibility of the SFRY Assembly, the Federal Chamber judges it necessary that the SFRY Assembly and its chambers should examine the difficulties and problems concerning the implementation of its role in resolving the constitutional crisis in the country and propose, by the end of June, ways and methods of ensuring that the SFRY Assembly becomes more active in the process of deciding about the country's future order.

7. The Federal Chamber calls on all citizens, nations and nationalities of Yugoslavia, as well as political parties and organizations, to directly participate in efforts to find a long-term solution to interethnic, i.e. inter-republic conflicts, to contribute to efforts to resolve the present social crisis in a peaceful and democratic way.

8. The Federal Chamber authorizes the FEC and the competent federal authorities to submit, by the end of June, reports on the implementation of the conclusions of the Federal Chamber on the political and security situation in the country.

9. In keeping with its rights and responsibilities established by the SFRY Constitution, the SFRY Presidency will, in due course, inform the SFRY Assembly about the implementation of the program of measures designed to secure a long-term solution to interethnic and inter-republic conflicts. This program was passed with the aim

of overcoming the present exacerbated political and security situation and the constitutional crisis in the country.

10. These conclusions will be published in the SFRY official gazette.

Mesic Statement Views Croat-Serb Conflict

LD1005190191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1657 GMT 10 May 91

[Text] Ljubljana, 10 May (TANJUG)—"Croatia has not capitulated nor will it capitulate," SFRY Presidency Vice President said in Zagreb today in a statement to Radio Ljubljana.

"Certain circles in the country hoped that the Army would be used; but the measures of the [SFRY] Presidency suit Croatia to a large extent, providing they are not abused." In the same context, Mesic stressed that the above measures imply recognition for the legality and legitimacy of the Croatian authorities elected at the last elections. "Never before did the Presidency state this in such an explicit way." In addition, the Presidency now guarantees the inviolability of borders between the republics. This implies both internal and external borders. This was not the case before, Mesic said.

Mesic also noted that the authorities in Serbia have been tolerating the creation of, as it were, the Serbian Autonomous Region [SAO] of Krajina, and went on to add that "they have never recognized it in any of their bodies, but all the press and all the officials of the present regime in Serbia refer without reservations to Babic and others from Knin as "the representatives of the SAO of Krajina," although it does not exist, Mesic said.

In his explanation of the SFRY Presidency's measures, Mesic said that "the Yugoslav People's Army will be stationed at the border between villages with Croatian and villages with predominant Serbian population, to prevent movements of armed groups and individuals."

"Armed groups and individuals in these areas are outlaws. Hence these outlaws will not be able to move from municipality to municipality. Actually, they will be disarmed by the Army," Mesic said. He also said that units belonging to the Federal Secretariat for Internal Affairs are not stationed in these areas, nor are there any joint police units. Those are only federal inspectors who will come in to see whether illegal groups and individuals have been disarmed. If the Army does not reintroduce the rule of law in these areas within one month, Mesic added, "the Croatian Ministry of Internal Affairs will reintroduce such rule with repressive measures." Asked whether he thinks that all this is feasible, he put a counterquestion: "Why should not it be possible to disarm a few illegal Chetnik groups in a month's time?"

"Croatian problems do not lie in the conflict between Serbs and Croats; that conflict does not exist. We are persistently trying to prove this to the entire Yugoslav and world public. Those are actually small militant groups being set up, armed and paid by Serbia, which have been infiltrated into Croatia. Hence, interethnic conflicts do not exist in Croatia." Behind these terrorists, as Mesic called them, there is always somebody else at work, and for this reason problems cannot be solved through negotiations.

"Borisav Jovic and Slobodan Milosevic, however, wish to make this conflict appear as an interethnic conflict, even as a civil war, and this is also a wish shared by a part of the army leadership," Mesic said. "Time will show that they are all wrong and as soon as Serbia's interference in Croatian affairs ends, this conflict will also end."

Prompted by the journalist's statement that these is actually a conflict, or even hostility, between the Croatian and Serbian leadership, Mesic said: "It is difficult to be on the same wavelength if some wish to build a greater Serbia to the detriment of Croatian territory, while others only wish a sovereign Croatia without any aspirations to usurp anybody else's territory."

Mesic went on to talk about attempts to "join up parts of Croatia and Bosnia-Hercegovina inhabited by Serbs, thus forming some kind of a new state, which would be called western Serbia, and attach them to Serbia." He added that "this scenario cannot succeed, because no one can occupy Croatian territory."

When asked who represents the legal power of Croatian Serbs, Mesic replied that these can only be the "legitimate representatives of Serbs in Croatia, and this means those chosen by the people in elections. They are the ones with a mandate for conducting talks with legitimate Croatian authorities and not with someone like the Krajina SAO."

Reply to the question on whether any incident could prevent his appointment as head of state on 15 May, Mesic said that this is no longer possible and that "Everything will follow its course." At the same time, Mesic rejected any possibility of a state of alert being imposed when Borisav Jovic's mandate ends, or of Jovic's mandate being extended. "There can be no war, and I see no country which would want to attack us," said Mesic.

When asked how he sees himself in the role of first among equals, Mesic mentioned that this situation will do little to change the "Method of work and mutual communications," and also that "the Army will not be called on for help very often." In this connection Mesic did not deny the possibility that the Army leadership has ambition to become independent. He confirmed, however, that "for the time being the Army leadership is only executing the orders given by the state presidency," as the supreme commander of the Armed Forces.

Markovic: Determined To Solve Crisis Peacefully

LD1105095291 Belgrade TANJUG Domestic Service in Serbo-Croatian 0913 GMT 11 May 91

[Text] Makarska, 11 May (TANJUG)—You can tell all the citizens of Europe and the world that Yugoslavia is determined to resolve the crisis by peaceful and democratic means. Looking at it as a whole, a process is beginning that is enabling everyone to enjoy the beauties of Yugoslavia and its sea, FEC [Federal Executive Council] President Ante Markovic stressed today at the close of the traditional international May meeting of tourist journalists on the Makarska Riviera.

At the well-attended news conference, which produced a mass of questions, the federal prime minister, as well as welcoming tourists, explained that an agreement has been reached that is enabling the reestablishment of the legal system and the functioning of government from top to bottom and vice versa. The SFRY Presidency, Markovic recalled, has for the first time unanimously adopted conclusions on resolving the crisis that complement the conclusions of the federal government.

Markovic stressed that the FEC has already established, or has begun to establish, certain functions of the well-known "eleven-plus-three" program, such as reestablishing the functions of currency and the monetary, payments, and foreign exchange systems.

FEC President Markovic Examines Situation

LD1105153991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1011 GMT 11 May 91

[Text] Makarska, 11 May (TANJUG)—Resolutely endeavoring to resolve the Yugoslav crisis exclusively by peaceful and democratic means and by implementing the reform program, the FEC, [Federal Executive Committee], despite the many crisis points, has succeeded in drawing up a program that will facilitate this. You can, therefore, tell all the citizens of Europe and the whole world that Yugoslavia has determined to resolve the crisis peacefully and democratically, and that they may enjoy the beauty of Yugoslavia and its coast, FEC president Ante Markovic stressed today at the close of the traditional international May meeting of tourism journalists on the Makarska Riviera.

At a well-attended news conference with a mass of questions, mainly about the events in the country, the federal prime minister, after welcoming tourists, explained the genesis of the Yugoslav crisis. In this connection he noted wittily that politics is like the weather. The sun appears, he said, it is then replaced by clouds, but good weather is beginning to prevail.

The Yugoslav Presidency has for the first time unanimously adopted conclusions on resolution of the crisis, which complement the conclusions of the FEC and enable the conclusions of the military command to be in accordance with these aims. This should enable the resolution of the crisis to take place without changes to external and internal borders and the establishment of hegemony by some over others, the FEC president explained, stressing that the agreement makes possible the reestablishment of the legal system and the functioning of the government vertically from the top to the bottom and vice versa. This means the legality and legitimacy is recognized of all the options that won in the multiparty elections in the republics. However, these political options are called on to guarantee that in areas where other political options won, they are able to form a government.

The agreement that was reached on resolving the crisis does not mean a definite solution for future relations in the country, rather it creates the conditions for this. The government's well-known "eleven-plus-three" program of the most important common functions of the state until agreement is reached on future relations in the Yugoslav community aspires to the same end.

The federal government has already established, or has begun to establish, certain important functions of the "eleven-plus-three" program. These are the functions of domestic currency, and the monetary, payments, and foreign exchange systems. Monetary discipline has been established, Prime Minister Markovic recalled, with the observation that no one can infringe the payments system.

The realization is under way of other points of the "eleven-plus- three" package, the most contentious of which is public expenditure, and within its framework, the federal budget. In the case of the budget, however, important steps have been made which herald an agreement.

All these activities are a constituent part of the major reforms on which the FEC has decided to change the entire system and enable the economic backwardness and democratic inexperience to be overcome in a relatively short period, Markovic explained, expounding in outline the content of the reform and the results and obstacles so far in its implementation.

The well-devised and consistent program, which facilitates changes in the entire system and all its parts, last year yielded, according to Markovic, fascinating [fascinirajuche] results. It served as a stablizing foundation for the beginning of the real major economic changes and processes which in five years (this is a minimum) should ensure the transition from the old to the new system, at a minimal economic and social cost.

This process has, however, unleashed many spirits (ethnic and religious). In the course of and after the multiparty elections, and particularly since last autumn, reforms have been at a standstill, and there has been legal insecurity and abandonment of the implementation of macroeconomic policies. At the moment we are at a stage which the FEC foresaw from the time it took office, where attempts are being made to halt the reform and bring down its advocates.

The interruption of the reform last autumn, the FEC president said, has prevented the harmonious order of the changes. Emotions have flared up, particularly nationalist ones, threatening the outbreak of civil war. The FEC has succeeded on a number of occasions in preventing a dramatic outcome of events. The situation was particularly critical in the middle of March when the Presidency ceased to function for a while. At that time, only the FEC was functioning and regulating the functions of the state, and enabling resolution of the crisis without a state of emergency.

The FEC and its president are contributing to the resolution of the crisis with visits to and talks in the republics, and especially in crisis areas. Regarding this, Markovic mentioned his visit with the Croatian leadership, in Vukovar and Split. Although he was warned of the danger from snipers, Markovic said, he still went to Borovo Selo. We went and had talks, and as you can see here I am before you, remarked the federal prime minister. The people there are being manipulated "from outside", and there is evidence of attempts to cause instability, but also of many mistakes made by local authorities in the treatment of one part of the population which, as he said, is not of the same nationality. All this will require a lengthy healing process, and in my view general conditions are now being created conducive to it, added the president of the Federal Government, stressing that every part of the country should be given the right to self-government and an opportunity to assume political responsibility for the functioning of that part of the system.

All current activities are an integral part of a process in which preconditions are being created for everything that represents the essence of existence, and that will help to find a democratic resolution of the crisis in Yugoslavia— Markovic said in conclusion of the first part of the conference, and after that, the 160 journalists present at the news conference—60 of them foreign and around 100 Yugoslav—were invited to present questions to Markovic.

All the additional police and militia forces will be demobilized and arms will also be taken away from the civilians who have been armed, said Markovic. This decision will be implemented by the local authorities with help from political parties and the cooperation of the republican authorities. A whole series of measures will also be taken to restore all communications to ensure deliveries and normal traffic, said the FEC president.

Replying to a question asked by a reporter from Spain's EPOCA on the federal government's concrete measures for restoring security in hotbeds of crisis, Markovic stressed that considerable efforts must be exerted to establish the trust of the minority toward the majority and vice versa. However, no one can give orders for this because it is a process for preventing the forming of illegal services that would lead to further exacerbation. In Krajina, stressed the FEC president, the Federal Secretariat for Internal Affairs and the JNA [Yugoslav People"s Army] will guarantee the safety of communications and normal living conditions that have been interrupted in these areas.

The decision of the federal leadership on the forthcoming referendum is unanimous and its purpose is to obtain a reply from the people as to what kind of a community they want to live in, and not to secede from Yugoslavia, said Markovic. He noted, however, that there are people who are against the referendum, referring to yesterday's example of the meeting of some of the Croatian opposition which condemned the federal agreement as "capitulation" by the Croation leadership. These are extremists who advocate further increases in tension and wish to inflame passions to achieve their goals, judged the president of the government.

Is the meeting of the republican presidents, that is, the presidents of the Presidencies, an attempt to exclude the federation from trying to solve the country's future, was the question to which Markovic gave a negative reply. I see the meeting between the republican presidents as preparation for a definite agreement, in other words as something constructive, said the FEC president, drawing attention to his support for all solutions reached in a democratic way.

Replying to a question whether it is true "Seselj's Chethinks" took part in the score-setting in Borovo Selo, Markovic pointed out that the federal secretariat for justice, via the federal public prosecutor, had already started proceedings for establishing relevant facts about Seselj's statement. It is necessary to establish, added the FEC president, whether his claims about the presence of Chetniks in Borovo Selo had any real substance or whether this was just a political pamphlet. If there is any truth in it they will be tried. During my recent visit to Borovo Selo I was told Seselj's men did not take part in the conflict, said Markovic.

Aleksandar Lebl from BUSINESS INTERNATIONAL asked whether the FEC managed to persuade the republics to end the economic blockade so the unified Yugoslav market can be restored. Given how important it is that the market should operate on the entire Yugoslav territory, the FEC passed a series of concrete decisions and asked the republics to say in writing whether they were prepared to abolish or freeze the decisions according to which the unified market had been suspended. Five republics gave positive answers, while the sixth, Serbia, has yet to make a decision, replied Markovic.

Asked by journalist Rista Kostov from NARODNA ARMIJA whether anyone is expecting any resistance to implementation of the decision on disarming citizens and paramilitary formations, and whether there have already been different interpretations of the latest statement by the SFRY Presidency, Markovic noted that it is quite certain disarming will not proceed smoothly in all places. I have no illusions here, added the FEC president,

but it is also quite certain that illegal formations must be disarmed. Those who armed the citizens must ensure that arms are returned. I hope this process, despite expected problems, will be positive. As for the SFRY Presidency statement, I have not heard of any different interpretations, said Markovic in conclusion.

Commentary on Possible 15 May Presidency Crisis

AU1005200191 Belgrade Domestic Belgrade Network in Serbo-Croatian 1700 GMT 10 May 91

[Djordje Vlajic commentary]

[Text] Events on the domestic political scene are moving so fast that one can say, without being afraid of making a mistake, that things are changing not from day to day but from hour to hour. The joint session of the assembly chambers at which Branko Kostic, Sejdo Bajramovic, and Jugoslav Kostic were supposed to be proclaimed members of the SFRY Presidency is a proof of that.

Bearing in mind that the latest decisions of the collective head of state could have been a significant step toward resolving problems at home and toward preventing new armed interethnic clashes, the failure to proclaim the above mentioned people as members of the SFRY Presidency is a new political factor, to say the least, a factor that not only renders political accounts more complicated but also instills uncertainty in the future living within Yugoslavia.

What follows is a speculation based on the constitutional provisions concerning the Presidency and the rules of procedure concerning the work of the collective head of state.

The SFRY Presidency president and vice president with one-year terms of office should be elected on 15 May. After the joint session of the assembly chambers, it is certain that Branko Kostic from Montenegro cannot be the vice president of the presidency because he was not proclaimed by the SFRY Assembly. The answer to the question of whether Stipe Mesic, who is currently vice president, will be elected president of the SFRY Presidency on 15 May is a matter of political speculations.

However, at present one can say with a great deal of certainty that the prevention of the proclamation of Jugoslav Kostic from Vojvodina and Sejdo Bajramovic from Kosovo as members of the SFRY Presidency could have the consequence of Stipe Mesic also not being elected as president of the presidency. What has up to now been only a formal ceremony in the Palace of the Federation in New Belgrade, this time will have to be real voting, unless something significant happens meanwhile.

Borisav Jovic will most probably not cast his vote for Stipe Mesic. This is quite sufficient for Mesic not to be elected. This is so because, if the presidency is to make any decision, except those that require a two thirds majority, five of its members have to vote in favor of a decision. Without Jovic, there is no fifth vote.

The rules of procedure concerning the work of the SFRY Presidency foresee that in the event of absence or a failure to elect a member of the SFRY Presidency from one republic or province, a presidency member may be substituted by the president of that republic or that province, and that the substitute does not have the right to vote. Therefore, he can take part in the debates and the work of the Presidency, but cannot vote. Only the members proclaimed in the SFRY Assembly have this right.

Let me stress again that unless something significant happens by 15 May it could happen that the SFRY Presidency is without the president and vice president. The term of office of Borisav Jovic and Stipe Mesic, who currently occupy these posts respectively, will end on 15 May. Judging by everything, the new president will not be elected, while the vice president has not even been proclaimed in the SFRY Assembly. In such a situation the collective head of state will be without a head. According to some interpretations of the rules of procedure, members of the presidency may agree that one of them assume the role of coordinator. However, at present it is difficult to see such an agreement.

In addition to difficulties in calling presidency sessions, and that there will be nobody to receive foreign delegations and representatives of other countries, the work of the Supreme Commander of the country will also be virtually frustrated. The Yugoslav People's Army, on the other hand, has its orders that stem from the unanimously adopted decisions at the last session of the SFRY Presidency.

Therefore, there are many reasons to ask whether political quarrels among the republican leaderships have led to a situation that on 15 May Yugoslavia may have an undeclared state of emergency or that the federal state perhaps ceasing to exist on that day.

After all, as I said at the beginning, events in our country are moving with such a speed that all these speculations that you have heard could be (?irrelevant) by tomorrow morning.

Daily Accuses Army of Military Coup

LD1005131291 Belgrade TANJUG in English 1227 GMT 10 May 91

[Text] Ljubljana, May 10 (TANJUG)—The military top of Yugoslavia was sharply attacked today by the Ljubljana DELO newspaper which said their moves had done all to speed up the disintegration of the country.

The paper writes that the "so-called army top, considering themselves responsible for salvaging Yugoslavia, in real fact remain in a profound historical misunderstanding with this state and its nations."

DELO maintains that the army has already carried out a military putsch and that "things have been complicating of late only because some are unwillling to acknowledge such a situation any longer."

As the paper puts it, the present "parade" of the army in the "non-Serbian parts of the state in a certain way legitimizes the actual situation that has lasted for long years."

The paper also accuses the country's presidency of having supported the Army yesterday.

In another article, the daily writes that president of Croatia Franjo Tudjman yesterday "renounced the genuine sovereignty of one half of Croatia" now guarded by the Army which, as it puts it, "is the same Army which has so far concealed the breaking of Croatia."

The paper holds that Tudjman "has decided to take a break, make a false compromise" because he had faced "a dreadful dilemma" either to "reconcile with a loss of half the territory" or to "decide in favour of a bloody conflict."

It writes next that the present lull "may cease any moment now" depending both on whether Serbia is satisfied with obtaining "its new western boundary" and on how the Croatian masses would ract.

What matters for Slovenia, DELO writes, is that "no internal feuds" would happen and that Slovenia would not "afford" its "official surrender" as was "afforded by Tudjman."

Croatian Council Views Presidency's Conclusions

LD1005141991 Zagreb Domestic Service in Serbo-Croatian 1300 GMT 10 May 91

[Text] Last night in Zagreb, the Supreme State Council of the Republic of Croatia held a session chaired by [Croatian President] Franjo Tudjman. The session considered the current political situation in the country and the measures that should be taken by the state organs.

It was said in the debate that the Yugoslav Presidency's conclusions offer hope of a peaceful solution of the crisis, although the conclusions are, in fact, a compromise and, on some points, contradictory. It added that the basic problem of these conclusions lies in their different interpretation, and difficulties should be expected in their application.

The Republic of Croatia will adopt a constructive approach to these conclusions but will not freeze its defense preparations if the clashes and tension increase. An indication of this, the Croatian Supreme State Council concluded, is the latest threats of war heard yesterday in the Serbian Assembly and from the united Serbian opposition.

The council maintains that the readiness of the Federal services to cooperate with the republican services in establishing legal order and preserving the integrity and legality of the Croatian government will quickly become clear in the resolution of the most urgent problems. In this respect it welcomes the first signs of constructive activity by the Army in establishing legal order, such as facilitating the passage of the convoy of humanitarian aid to Kijevo and the peaceful dispersing of the blockade of the tank convoy in Hercegovina.

The Croatian government will propose to the Federal services cooperation in several urgent measures and actions to ensure the passability of roads, the eradication of terrorism, the prosecution of outlaws from other republics, and so forth.

The Croatian services will intensify diplomatic activity and information to the foreign and Yugoslav public on the measures to be taken in this connection. The realization of this program will depend primarily on the principled cooperation between Federal and Croatian services.

Vukovar Tension Recedes; Arms, Police Remain

LD1005150091 Belgrade TANJUG Domestic Service in Serbo-Croatian 1114 GMT 10 May 91

[Excerpt] Vukovar, 10 May (TANJUG)—Following a visit yesterday by federal and republican officials, tension in the Vukovar region has receded but peace seems still a long way off. At night, however, there is no slacking in the use of weapons.

The atmosphere is being kept tense by uncertainty over who will disarm the citizens and illegal formations under an agreement reached by the Yugoslav Presidency.

Initial reactions by both Serbs and Croats indicate that the confiscation of arms will continue to be a bone of contention for some time to come.

Serbia in the region insist that they would not hand over their arms until the other side is disarmed and provided that the size of Croatian local police, and especially of its reserve forces—which over the last few months has been increased several times—is not reduced.

According to reliable sources, the police station in Vukovar now employs 400 policemen, 10 times more than before the multiparty elections last year.

Bozidar Jukic, a deputy in the Croatian Assembly, sees as an additional problem the fact that, except for two or three policemen, the police force in the Vukovar police station is of Croat nationality. Jukic said that an agreement has been reached to restore the nationality balance in the composition of the police force,.

The Serbian population of the region wants the number of policemen to be brought down to within the legal limit, in other words, one active and one reseve force member per 800 people according to Vukovar Municipality President Slavko Dokmanovic. Dokmanovic

again failed to appear at his place of work today because, as he said recently, his safety is not guaranteed.

In the meantime, in contrast to the demands of the Serbian population, Zagreb has announced plans to recruit and mobilize new police forces. No one seems to know how the civilian population can be disarmed in view of the large amount of automatic rifles and other areas in their possession.

The weapons were either bought on the black market or distributed to members of individual parties or according to a nationality formula, military sources claim. [passage omitted]

Mesic: Croatia Prepared To Defend Itself

AU1005181091 Belgrade Radio Belgrade Network in Serbo-Croatian 1700 GMT 10 May 91

[Report on interview with SFRY Presidency Vice President Stipe Mesic by Dragoslav Kosaric on 10 May]

[Text] A good portion of this hour-long interview was devoted to the situation in Croatia and the interpretation of the SFRY Presidency's decisions. Mesic accused the leadership of Serbia of being directly involved in ethnic clashes in Croatia. He thinks that the clash between Serbs and Croats in this republic does not exist. What was involved, Mesic said, were paid and militant groups from Croatia or infiltrated from Serbia. According to him, the clash will stop when Serbia stops interfering.

He categorically rejected that this was an interethnic clash and presented as an argument a fact that 40 percent of the members of the Croatian Ministry for Internal Affairs are Serbs. Commenting on the decisions of the SFRY Presidency, Mesic said that Croatia has not stumbled, warning that if the Yugoslav People's Army does not introduce legal order in the crisis area within one month, the Croatian Ministry of Internal Affairs will introduce legal order in the Knin region with repressive measures.

Mesic said that he will visit Knin together with Dr. [Borisav] Jovic after 15 May. The scenario of creating a Western Serbia will not succeed, Mesic warned, because Croatia has enough strength, as he said, to defend its territory.

Commenting on the announced referendum on the annexation to Serbia, scheduled for 12 May in the parts of Croatia predominantly populated by Serbs, Mesic sarcastically said that this was as realistic as annexation to Zanzibar.

The future president of the SFRY Presidency said that the federal presidency is illegitimate as the Kosovo representative was elected by the Serbian Assembly. Mesic was of the opinion that the military leadership will, as he said, reconcile itself with the SFRY Presidency's decisions. He thinks that there will be no state of emergency in Yugoslavia.

Finally, let us say that in the interview no question of the position of the Serbian people in Croatia was asked.

Markovic, Manolic Hold Crisis Talks in Split

LD1005203191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1743 GMT 10 May 91

[Text] Split, 10 May (TANJUG)—We cannot overcome the crisis without establishing interethnic trust in the country, stressed Federal Executive Council [FEC] President Ante Markovic during a meeting this evening with the leadership of the Split municipality and party leaders from the town. The three-hour talks were also attended by Croatian Government President Josip Manolic.

There is a considerable lack of trust that goes as far as hated, because emotions and irrational behavior are to the fore, and this is not the way to solve problems. The SFRY Presidency and the FEC has adopted conclusions, and one should do everything to ensure that they are consistently implemented, Markovic stressed.

It is exceptionally important to halt the erosion of the reforms that started last autumn, to return to this course, and to continue with democratization to overcome legal anarchy and economic chaos and escape from the domination of a "Rashomon".

Striving for the transformation of one system into another, the FEC has invested efforts so the social price for this transition may be as low as possible. The events that ensured after the halting of reforms have unfortunately led to loss of human life. Unless we implement the reforms and ensure further democratization, there will be totalitarianism and our relations will be settled in blood, the federal government president warned.

Having recalled that the FEC had organized talks with the Croatian leadership, Markovic said that 10 points had been proposed at the time for defusing the situation, which were afterwards presented at the session of the Yugoslav Presidency.

The world and Europe want to help us become part of European developments, but they do not want a Lebanon, because that would be too dangerous for them, concluded Markovic, recalling that we cannot overcome the crisis without foreign financial support.

The Croatian prime minister warned that there is no alternative to a democratic dialogue. Urging "cooperation, tolerance, and peace," Josip Manolic, condemned attempts to provoke a confrontation between the Yugoslav People's Army [JNA] and the Croatian leadership. The present government in Croatia considers the JNA as a joint army of all Yugoslav nations, Manolic said, and at the same time mentioned that within the army there are individuals and forces "Who wish to use the army for their hegemonistic goals."

We cannot accept a statement, Manolic stressed, which says that Yugoslavia is in a state of a civil war, because it will inevitably mean an introduction of the state of emergency in which the Army "would take things into its own hands." Such an army "does not exist in this area", because in that case it would clash not only with Croatia but with other republics that have embarked upon the path of democracy.

Advocating a democratic dialogue in the search for a way out of the crisis, Manolic said that anarchists who are threatening people's lives and are destroying property will not be tolerated.

Replying to sharp remarks from a number of party leaders on actions that the Army has taken in certain hotbeds of crisis in Croatia, Deputy Federal Secretary for National Defense Admiral Stane Brovet said that their conclusions are "arbitrary to such an extent" that he does not find it necessary to reply to them because this could only lead to further antagonism.

Brovet particularly dwelt on the question: "Why were special JNA units from Nis used in Listica?" He stressed that such a question is irrelevant in view of the fact that every JNA unit is multinational.

In this connection FEC President Markovic recalled the JNA presence in Borovo Selo, where the JNA arrived in the middle of the crisis and saved from sure death some 60 members of the Croatian Ministry of Internal Affairs. Hence I can confirm with pleasure now that the army played a positive role in Borovo Selo, Markovic said.

Croatian Deputy Ministry of Internal Affairs Slavko Degoricija informed the participants in the talks that 154 public and 60 private facilities had been blown up in Croatia by 9 May, and there had been four attacks on JNA installations. Thirty-two Croatian-owned and 26 Sebian-owned facilities had been blown up.

FEC President Markovic and Croatian Prime Minister Manolic, with their aides, also had talks this evening with representatives of the naval district.

'Considerable Unrest' in Knin Area

LD1105103291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1001 GMT 11 May 91

[Text] Knin, 11 May (TANJUG)—The setting up of the Krajina police units in Biocic, Miocic, and Bratiskovci, in response to the Croatian Ministry of Internal Affairs [MUP] which set up its own police stations in Kijevo, Polaca, and Oklaj, resulted in a sudden aggravation of the situation in a broad area around Knin, giving rise to considerable unrest among the people last night.

According to reports from Knin radio, which started to broadcast a morning program—which is not the usual practice—"the concentration of MUP members from the direction of Drnis and Sibenik" was noticed in the peripheral areas of the Knin municipality, more precisely on the territories of the 13 local communities that had voted in favor of annnexation to the Knin municipality. According to the same source of information, women and children are now leaving these villages.

Mesic Affirms Disarming of Croatian Reservists

LD1105122891 Belgrade TANJUG in English 1113 GMT 11 May 91

[Text] Belgrade, May 11 (TANJUG)—Yugoslav Presidency Vice President Stipe Mesic has said that "Croatian police reservists will be disarmed" and specified that [there] was no need for them to be armed.

Mesic told the Belgrade daily BORBA in a statement published today that the Yugoslav people's Army (JNA) would ensure that an end be put to the movement of irregular troops, that the various guards be abolished and barricades removed.

Mesic said that what is involved "is not an army occupation of Croatia," since the "JNA recognizes and supports the legality and legitimacy of the organs of authority in that Yugoslav republic."

The JNA intervened after the severe armed clash between Serbs and and Croatian police in the Croatian village of Borovo Selo on May 2 in which 12 policemen and three civilians were killed, and 21 policemen and six civilians wounded.

The Yugoslav state presidency has on many occasions called for the disarming of para-military formations to prevent inter-nationality conflicts in Croatia.

Increased Army Movement in Sibenik Municipality

LD1105164491 Zagreb Domestic Service in Serbo-Croatian 1500 GMT 11 May 91

[Text] As we have already reported Martic's [Milan Martic—internal affairs secretary of the Serbian Autonomous Region of Krajina] self-styled policemen last night organized an incursion into the Sibenik municipality. With the obvious intention of setting up a police station in the village of Bratiskovci the Knin-based outlaws used deception to occupy public facilities in the village. In reaction the Sibenik municipality officials set off toward the area but because of roadblocks their intention to negotiate is yet to be realized.

There was evidence overnight of the increased movement of army units in this part of the Sibenik municipality. According to the evidence from the people of the area the outlaws have been seen wearing army uniforms. At one point a group of armed civilians threatened journalists forcing them to turn back.

Situation Tense; Conflicts 'Expected' Near Knin

AU1105163691 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 11 May 91

[Danko Peric report]

[Text] About 1000 when the Serbian Knin Radio begun broadcasting its extraordinary program, Milan Martic, secretary of the Knin Internal Affairs Secretariat informed us about the aggravated political-security situation in the 13 local communities in which the referendum on joining the Serbian Autonomous Region of Krajina was held recently and which used to belong to neighboring communes of Sibenik and Drnis.

According to Martic, on the basis of the decision made by the Knin Communal Assembly Executive Council, departments of the militia station of the Knin Internal Affairs Secretariat were formed recently in the local communities of Biocic, Miocic, and Bratiskovci. In amassing of a large number of members of the Croatian Ministry of Internal Affairs, something which caused upset and fear among the Serbs living there, was noted in the vicinity of these local communities yesterday and today. Fearing this, children and women began to leave their houses this morning and flee to the nearest Serb villages. According to Milan Matic, the situation is extremely tense and if the Croatian policemen fail to withdraw, conflicts can be expected. Fortunately, there have been no such conflicts in the past five hours. However, between the villages of Crkovici and Ladjevci at the foot of Bribirske Mostine in the direction of these villages and Bratiskovci, two internal affairs patrols exchanged gunfire last nights. During this showdown, Croatian Policeman Zvonko (?Partelo) was wounded in the shoulder.

The situation in the region of Civljane, Cetina, and Kijevo is still critical because of the presence of the Croatian policemen in the newly founded police station in Kijevo. At the session of the Bosansko Grahovo Communal Assembly Executive Council held today, Bosnia-Hercegovina Republican Government and Ministry of Internal Affairs were requested to do everything possible to free the road leading through Kijevo, so the population of Uniste that belongs to the commune of Bosansko Grahovo, could be supplied with food that has not been available in the local shop for days.

Due to the well-known situation and the isolation that lasted for several days the Kijevo people have during several past days simply emptied (shops) in the neighboring Uniste and thus brought the citizens of this local commune into a less than enviable situation.

Croat policemen have been noticed in Uniste recently, but, according to Dusan Zeljkovic, president of the Bosansko Grahovo Executive Council, what is involved are three young men from this village who belong to the regular troops of the Croatian Internal Ministry and are employed in some neighboring and other communes. As Mr. Zeljkovic informed us, a formation of a police station in Uniste is out of question.

Manolic Views Markovic's FEC Position

AU1105174391 Belgrade BORBA in Serbo-Croatian 25 Apr 91 p 9

[G.G. report: "Markovic A Bankruptcy Manager"]

[Excerpt] Zagreb—"Toppling Federal Executive Council [FEC] President Ante Markovic would lead to yet another crisis of the federal institutions, like the crises caused by the resignation of [SFRY Presidency President] Dr. Borisav Jovic, constitutional amendments, and some other moves made by the federal institutions," Croatian Government President Josip Manolic stated among other things on the television program "In Focus". The program's theme was "What Does Croatia Want Regarding the FEC's Program." The program was given a prime time airing on the first channel of Croatian Television.

"However," Manolic continued "this would be the end of the reforms. [sentence as published] On the contrary, it seems to me that this would open new ways for resolving the crisis in Yugoslavia.

"The dilemma whether to overthrow Markovic now or not is irrelevant, what matters is how to resolve the Yugoslav crisis as soon as possible. The problem must primarily be resolved through an inter-republican agreement. This is something we have not had so far (until now everything depended upon federal institutions). However, we are now moving in a different direction, a direction that leads toward our concept of a confederal organization of Yugoslavia. This republican agreement has already been initiated and has produced some results in creating a platform for the new forms of life for the peoples who live in this country." [passage omitted]

Tudjman Outlines HDZ Role, Croatian Position

LD1105221291 Belgrade TANJUG Domestic Service in Serbo-Croatian 2026 GMT 11 May 91

[Text] Zagreb, 11 May (TANJUG)—The policy being implemented by the Croatian Democratic Community [HDZ] which has not departed from its original program, takes into consideration both international and internal developments. However, some, particularly members of those opposition parties that entered a coalition during elections in the Republic of Croatia, are trying to question that policy. Fully aware of its responsibility, the HDZ overtook a historic role of building the independent and sovereign Republic of Croatia and defending the interests of the entire Croatian people.

This was stressed this evening by Croatian President Franjo Tudjman in his address to participants of the first session of coordination committees of the HDZ from Yugosalvia and abroad. Tudjman, who is the HDZ chairman, stressed that whatever his party is achieving is

a result of the complete unity of Croats living in Croatia and abroad. We will, Tudjman said, persevere in the implementation of the HDZ program to the full, which has now become a program for the entire Republic of Croatia.

Those who did not express such radicalism during elections are now questioning why we have not proclaimed an independent state of Croatia so far, and why we have not not carried out a plebiscite on secession. In his reply to such questions Tudjman said that the HDZ adheres to its goals, but so as not to jeopardize what has been achieved. We are experienced enough to know how to adjust our policy according to possibilities and circumstances, but we are not going to make the interests of the Croatian people dependant on anybody else, Tudjman said. Unfortunately, he stressed, not all HDZ members are aware of this fact.

Yet further proof of the success of our policy and resolve is the fact that we managed to arm our police force and have proved that the people are ready to defend its republic and democracy.

Dwelling on the latest conclusions of the SFRY Presidency Tudjman stressed that they are the result of compromise and that they are more convenient for Croatia than previous ones. They do not oblige Croatia, as some put it, to limit its sovereignty nor do they oblige it to withdraw from any part of its territory.

We will be further reinforcing our police forces, our national guard and self-defense units. We are ready for a political solution, but should it become necessary, we have to be prepared to defend democracy using all forces including the entire Croatian people, Tudjman said.

He recalled events in Plitvice, Borovo Selo and Kijevo and the fact that the Army issued ultimatums that forces of the Croatian Ministry of Internal Affairs should be withdrawn, but Croatia did not accept that. There is no ultimatum to which we will yield even at the price of casualties, Tudjman said.

These days the crisis has intensified because, Tudjman stressed, Stipe Mesic should become the SFRY Presidency president. Anyway, he will become the president and it will ease the situation, also because without his concession it wil be impossible to use the Army.

Mesic Says Serbian Referendum 'Illegal'

LD1105225491 Zagreb Domestic Service in Serbo-Croatian 2200 GMT 11 May 91

[Text] The Serbian Autonomous Region of Krajina joining Serbia is as likely as Cameroon joining it, SFRY Presidency Vice President Stipe Mesic has told Austrian Television. In a short interview, Mesic said that he learned about the Serbian referendum in Croatia only from newspapers. He added that the referendum is illegal because it has not been organized by the legal authorities. Asked whether he thinks that only Serbs will vote tomorrow and only Croats will do so in the referendum on 19 May, Mesic expressly replied that he believes that on 19 May the majority of Serbs living in Croatia will cast their votes, because that referendum will be a legitimate one.

Large Turnout for Krajina Referendum

LD1205115291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1033 GMT 12 May 91

[Text] Knin, 12 May (TANJUG)—From 0800 hours this morning citizens of the Krajina Serbian Autonomous Region [SAO] have been voting on whether this region should join the Republic of Serbia and remain within Yugoslavia with those who want to preserve the country.

According to the initial results which keep arriving in the Knin central commission, the mass turnout was expected, especially in the Knin municipality. In the biggest places—Djevrske, Plavno, Strmica, Cetina, Padjene, and others—about 70 percent turned out at the referendum by 1100.

Reports from other municipalities within Krajina also show a good turnout. For instance, in Obrovac, Dvor na Uni, and Titova Korenica 25 percent of the citizens registered on lists of voters turned out by 1000. In the Benkovac area a large number of citizens living outside this municipality also wanted to cast their votes. They were allowed to do so, but their votes will not have an effect on the result of the referendum as in some other municipalities where people of the Serbian nationality wanted to vote, for instance in Petrinja, Podravska Slatina, and so on.

The citizens who had previously decided that their villages should join one of the Krajina SAO municipalities also have a right to vote.

The referendum is being covered by a large number of domestic and foreign journalists, photographers, and television crews.

Seven Municipalities Back Unifying With Serbia

LD1205223591 Belgrade TANJUG Domestic Service in Serbo-Croatian 2148 GMT 12 May 91

[Text] Knin, 12 May (TANJUG)—According to reports received by 2200 from seven municipalities within the Serbian Autonomous Region of Krajina, more than 90 percent of the votes were in favor of unification with Serbia and the other regions that want to remain within Yugoslavia.

The first preliminary indicators were revealed to TANJUG by Ljubica Vujanic, chairman of the central commission for implementing the referendum. Asked to comment on the referendum, she said that it had taken place without a single incident.

According to Ljubica Vujanic, the turnout today was larger than the organizers expected.

In the Vojnic municipality, 95 percent of the votes supported unification. In Donji Lapac, out of 7,000 registered voters, 6,500 cast their vote. Of this number, only 18 ballot papers were either invalid or contained a negative response. The response was similar in Titova Korenica, Vrginmost, and Kostajnica.

In the Dvor na Uni municipality, however, citizens refused to cast their vote at four polling stations. Citizens also refused to vote at two polling stations in the Obrovac municipality.

Turnout in Knin was higher than expected, with the majority of citizens voting for unification.

Slovene President Welcomes Mediation by Neighbors

LD1105131491 Belgrade TANJUG in English 1211 GMT 11 May 91

[Text] Koper, May 11 (TANJUG)—Milan Kucan, Presidency president of the Yugoslav Republic of Slovenia, feels that a "democratic, negotiated and peaceful solution of the Yugoslav crisis is still the only alternative worth employing all energies and engaging all forces."

Speaking in Koper, Slovenia, today, Kucan warned that the "price of a different choice would be too high."

"The imposition and justification of the use of force, including the armed force of the Yugoslav People's Army, because of the incapability and unwillingness to search for a peaceful and democratic solution to the Yugoslav crisis denies legitimacy to the democratically elected legal authorities of other nations, that is, republics," the Slovene president said.

Kucan said that the "question must at last be asked where does the policy which has already taken a toll in human lives lead," and set out that, "without that realization, the possibilities for a democratic, negotiated and peaceful solution of the Yugoslav crisis are truly small now."

Kucan described as "welcome" the latest initiative of Yugoslavia's neighbours for their mediation with a goodwill mission, which he said "restores faith in the possibility of a peaceful, democratic and negotiated solution of the crisis."

"Slovenia is carrying out its decision to become a democratic, sovereign and open community—a decision reaffirmed in a plebiscite—will full responsibility for its consequences," Kucan said.

The overwhelming majority of Slovenia's voters came out in favour of Slovenia's independence from Yugoslavia in the referendum held late last year. The decision is be carried out on June 26 this year.

Austria's Mock Explains Aim of Mediation Mission

LD1105123191 Belgrade TANJUG in English 1118 GMT 11 May 91

[Text] Madrid, May 11 (TANJUG)—Austrian Foreign Minister Alois Mock has stated that the initiative of the European Democratic Union for a mediating mission to be sent to Yugoslavia is "primarily a good-will initiative and offer, and not at all an attempt at political pressure on Yugoslavia."

In an interview to the newspaper ABC, Minister Mock said that "it is solely and exclusively up to the Yugoslav nations to seek and find a way out of the current crisis."

The Executive Committee of the European Democratic Union yesterday approved the initiative for a three-member mediating mission to be sent to Yugoslavia, but only if Yugoslavia agrees and if the mission is given support by the European Community.

The European Democratic Union, which rallies Christian-Democratic and Conservative parties, is currently chaired by Austria.

Austrian Foreign Minister Mock stressed that "while there is dialogue in Yugoslavia, there is hope that the worst will be avoided," and said that the "goal of the mediating mission would be to help the dialogue be successful and find a way for avoiding conflict and a possible civil war."

Peterle Views Role of Army, Federal Authorities

AU1005113091 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 9 May 91

[Sonja Znidarsic report]

[Text] A news conference was held in the assembly building during the Slovene Assembly chambers' session. Executive Council President Lojze Peterle briefed journalists about a letter that he sent today to Federal Executive Council [FEC] President Ante Markovic and to the presidents of the republican governments. He also assessed current events and the situation in Yugoslavia.

[Znidarsic] A letter, which Prime Minister Peterle sent to the FEC President Ante Markovic and to the presidents of the republican governments, contains principles on initiating a procedure for defining mutual rights and obligations between Slovenia and the Federation.

In his words, the Slovene offer has been properly formulated and represents a suitable basis for negotiating the settlement of financial obligations and liabilities between Slovenia and the Federation, the division of non-financial property, and for ascertaining which functions the federal bodies would continue to perform for Slovenia after the separation.

We proposed to the FEC that Slovenia takes over its share of the hard currency debt. When sharing the

outstanding debt owed to countries dealing in clearing account payments, our share of the debt would be defined by our share in the clearing account exports. In the letter Slovenia explicitly opposes the federal bodies taking on new debts without our consent.

The Slovene Executive Council also sent a list of functions that the FEC would continue performing for our Republic after the separation. Slovenia is willing to finance these functions. The Slovene Executive Council expects a reply by 21 May and it also expects that the talks with the representatives of the republican governments will be finished by the end of May.

Lojze Peterle also commented about the current situation in Yugoslavia. His views were like this:

[Begin Peterle recording] At the moment I can say that thanks to the measures taken by the SFRY Presidency this morning a sort of truce or a compromise was established. However, in my opinion it is not quite certain yet how different political forces will react to it. I believe that this compromise is very important in this moment because, at the end of the day, a sort of truce has been reached.

However, it is a fact that the Army took advantage of the tense situation in Croatia and without reason also raised the combat readiness to the highest level in Slovenia, as well. The Army also made some moves, that is, has strengthened its units in Slovenia without notifying the civil authorities here. This is unprecedented behavior which is unacceptable to us. Of course, we did not allow ourselves to be provoked by this, nor will we allow ourselves to be provoked in the future. However, we are following and overseeing all this, and if any actions of a different nature take place we will of course do what is necessary.

I think that at present everything is focusing on the issue of the change of the SFRY Presidency president. We are aware of the activities that are evidently being performed by keeping 15 May in mind. It appears that we will witness actions by which the FEC will try to discipline Slovenia, and the [Slovene] government will have to deal with this. So far there have been no special occurrences in Slovenia that would require special actions or special measures to be taken. [end Peterle recording]

[Znidarsic] The prime minister also added that our offer proposes that the Yugoslav People's Army [JNA] would continue performing certain functions in Slovenia during the transitional period which must not be longer than three years. However, there is no need for the JNA to widen and consolidate its influence in our republic just as there is no reason for the JNA to raise its combat readiness in our republic. [end recording]

Izetbegovic Assesses Cetinje Summit

AU1005175591 Sarajevo OSLOBODJENJE in Serbo-Croatian 30 Apr-2 May 91 p 3

["S. R." report on "special statement" by Alija Izetbegovic "for OSLOBODJENJE and Radio Sarajevo" in Cetinje on 29 April: "Milosevic and Tudjman Without Political Courage"]

[Excerpts] Cetinje, 29 April—[Bosnia-Hercegovina Presidency President] Alija Izetbegovic literally charmed journalists reporting on the fifth Yugoslav summit with his directness and unreserved readiness to talk. This was made ample use of by the team of reporters, so the special statement for OSLOBODJENJE and Radio Sarajevo turned into a veritable news conference on the street.

[Unidentified interviewer] In your stroll after lunch with Mr. Kucan in Njegos Park, did you manage to bring your stands closer together?

[Izetbegovic] "No, they cannot be brought closer together. This is not because he and I do not agree but because the situations in our republics are totally different." [passage omitted]

[Unidentified interviewer] Are your views of a referendum somewhat different to those of Mr. Gligorov, with whom you otherwise generally agree?

[Izetbegovic] "Bosnia-Hercegovina needs to say to Yugoslavia how it sees itself. Thus, with the referendum we will decide on what we want to be in the future."

Mentioning Bosnia-Hercegovina's specific problems, Alija Izetbegovic answered a question from this reporter on whether the nod for the separation of eastern Hercegovina had come from Titograd and whether he had raised this question at the Cetinje summit.

[Izetbegovic] "We did not want to burden this meeting with the regionalization of Bosnia-Hercegovina nor the situation in eastern Hercegovina. There is evidence that the nod came from here, but these are Bosnia-Hercegovina's problems that we will resolve by ourselves. These are not Yugoslav problems." [passage omitted]

Alija Izetbegovic said that during discussions on the effectiveness of the talks, the view was that effectiveness would be greater if the talks were attended by fewer people, but now, it is believed that the circle of negotiators ought to be broadened.

[Izetbegovic] "I do no think that the problem lies in the composition of the negotiators. We are like a patient who thinks that he will feel better if he moves to the other side of the room."

[Unidentified interviewer] Are we talking about a blockade from the Serbian-Croatian-Slovene axis?

[Izetbegovic] "One could rather say that this is the Serbian-Croatian axis. They probably have the orientations of their republics beyond which they cannot go further. Either they are not willing to do so or they are slaves to the stand of a group of people, parties, and so on. In brief, they are not prepared to go beyond their narrow viewpoints. This tolerance and broad-mindedness is lacking here and, I fear, there is no solution in sight. It could be said, therefore, that Milosevic and Tudjman are a restricting factor in these negotiations." [passage omitted]

Alija Izetbegovic stated again that no progress was made at all in this talk, at least no in the first part, and that it was obviously essential to refresh or supplement the team. At the end of his statement for OSLOBODJENJE, he stated that he was a great optimist concerning the future of Bosnia-Hercegovina, for which he is frequently criticized. He thinks that both Bosnians and Hercegovinians are oriented toward Yugoslavia and that they would vote for it. He concluded that progress in the present and previous talks on Yugoslavia's future was not possible because Milosevic and Tudjman have limits beyond which they obviously cannot go. This is not a question of a lack of personal courage but of political courage, Alija Izetbegovic said at the end of his special statement for OSLOBODJENJE.

Bosnian Serbs Issue Warning to Bosnian Government

AU1005152791 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 10 May 91

[Text] If the Government of Bosnia-Hercegovina suspends on Monday [13 May] the decision on the association of the communes of Bosanska Krajina into a community, we will say thank you and, of course, separate. We will close all taps to stop the outflow of money to the republican center. This was stated by Radislav Vukic, president of the regional committee of the Serbian Democratic Party of Bosanska Krajina at a news conference in Banja Luka. Radislav Vukic said that the Croatian Democratic Community and the Muslim Party of Democratic Action are in fact trying to suspend the decision on the association into the Bosanska Krajina community of communes.

At the news conference, Radislav Vukic also said that the archives of the Secretariat for Internal Affairs that contain documents on war criminals with which the UDBA [the State Security Service] cooperated after the war and is cooperating today will be opened. These documents will be the proof of the continuous policy of oppressing Serbs in Yugoslavia, especially in Bosnia-Hercegovina.

Kosovo's Rugova Rejects Presidency's Conclusions

AU1005143191 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 10 May 91

[Milivoje Mihajlovic report]

[Text] The Democratic Alliance of Kosovo assesses the conclusions of the SFRY Presidency as pure demagoguery because, as Ibrahim Rugova, leader of this party said at a news conference today, the state leadership is playing with arms. The peaceful denouement of the crisis requires peaceful means. One should not allow conflicts to take place first and then look for peace. Rugova said that the statement made by Slobodan Milosevic last night was full of hypocritical remarks as the president of Serbia is accusing Croatian authorities of carrying out state terror. Milosevic, Rugova said, is forgetting that he is in charge of state terror over the Albanians.

The Democratic Alliance of Kosovo is against violence in Croatia. If Serbs are suffering in that republic we are against that violence, too, but support the demand of the Croatian authorities to secure independence. The leader of the most numerous party of Albanians is accusing Serbian politicians of going to extremes in the implementation of, as he said, the statist logic of authority. He addressed several criticisms at the expense of the Federal Secretariat for Foreign Affairs claiming that it serves Serbian politics and that it defends unitarianism.

According to Rugova, by opening its borders with Macedonia, Albania taught Yugoslavia a lesson since Yugoslavia praises itself as being an open country but is protecting its borders with tanks. The Democratic Alliance of Kosovo is of the view that the election of Sejdo Bajramovic as member of the state Presidency is unconstitutional.

Bulatovic Says Army Has 'Clear Orders'

LD1105141291 Belgrade TANJUG in English 1256 GMT 11 May 91

[Text] Titograd, May 11 (TANJUG)—Momir Bulatovic, presidency president of the Yugoslav Republic of Montenegro, has said that, "by the Yugoslav state presidency's decision, the Yugoslav People's Army (JNA) has received clear orders, as a legal and organized force, immediately and using all means to ensure an end to all conflicts and create conditions for a political dialogue in a normal atmosphere."

In an interview to Montenegrin television on Friday [10 May] evening, Bulatovic warned that "it will not be easy immediately to implement the decision of the state presidency," taken on Thursday.

"Even if some new clashes do occur, we will not be in a position to stand by helplessly and with folded arms, since the JNA has clear orders and precise tasks," Bulatovic said.

The Yugoslav state presidency called a special session after the May 2 armed clash between Serbs and Croatian police in Borovo Selo, Croatia, in which 12 policemen and three civilians were killed, and 21 policemen and six civilians wounded.

Bulatovic said that the state presidency decision was "inviolable" since all eight members of the collective state leadership voted for it.

"If the decision of the Yugoslav state presidency is to be carried out in peace, it is to be expected that the leadership of the Republic of Croatia decidedly concedes the existence of inter-nationality conflicts in the republic, accepts the legal and legitimate representatives of the Serbian people and opens a dialogue with them," Bulatovic said.

The Croatian leadership must "make its contribution to the demobilization and disarming of armed formations, and must also end the incredibly great pressure undergone by the Serbian people in Croatia," Bulatovic said.

Macedonian Official on Current Political Scene

AU1105170091 Vienna NEUE KRONEN-ZEITUNG in German 11 May 91 p 4

[Interview with Macedonian Vice President Ljupco Georgievski by Kurt Seinitz; place and date not given: "Even Macedonia Is Afraid of Serbia"]

[Text] Yugoslavia's southernmost republic, Macedonia, has played an increasingly independent role since the strongest nationalist-minded party there won a relative victory in the first free elections. Its vice president, 26-year-old Ljupco Georgievski, became vice president. NEUE KRONEN-ZEITUNG staffer Kurt Seinitz interviewed him. Georgievski said the following on

—the new order for Yugoslavia: "We are close to the Slovene and Croat model. Yugoslavia ought to become a federation of sovereign states. The current republican borders should become permanent borders."

—Macedonia's fear: "As a small nation, we are having problems with all our neighbors, because we are not really recognized by them as an independent nation. Yet, we are most afraid of Serbia, which does not accept the sovereignty of a Macedonian nation, and which might create extraordinary difficulties for us—just look at Kosovo—because we still live in a single state and because, internationally, the current events are regarded as an "internal affair" of a country. The borders with our other neighbors are international and thus guaranteed by the European Security Conference."

—appealing to Europe: "Europe should help Yugoslavia overcome the crisis! Europe should offer its crisis management! Where else should European crisis management work if not here?"